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DSN's Exclusive Top Brands Survey—page 57

Discount Store News®

THE NEWSPAPER OF DISCOUNT RETAILING

SECOND CLASS

Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc.

$4 per copy
October 16, 1989

0113861
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Rose's large prototype (above) features new color scheme and high-density checkout area. At opening (right), chairman Lucius Harvin gave $20 bills to employees who could recite chain's mission statement. (DSN photos)

Rose's Eyes Key To Higher Sales

By Mary Ellen Kelly

WALDORF, Md. — If early results from Rose's new downsized prototype store in Wake Forest, N.C., are any indicator, the full-sized unit opened here last month—and as many as 35 others slated to open in 1990—might alleviate the discounter's ailing sales and profits.

Rose's attention to key "focus" departments in the 45,500-square-foot prototype it unveiled this past summer (see *DSN*, Sept. 4, 1989) helped boost the average customer receipt 20 percent above the chain average.

Management hopes the full-size prototype, which opened Sept. 27 in Waldorf, Md., a Washington, D.C., suburb, will also be among the chain's sales volume leaders, despite relatively keener competition in the Waldorf area.

The 54,000-square-foot prototype—big brother to the downsized unit that opened in Wake Forest, N.C.—confronts full-line discount stores operated by Ames, Zayre and K mart. Specialty operators like F&M, a deep discount drug store, Circuit City, Kiddie City, Sears Outlet Store, and numerous others also surround the new Rose's store.

How well the prototype weathers this storm of competition will help gauge its likely powers when confronted with Wal-Mart, which operates in a great number of Rose's markets.

(Continued on page 16)

From Z to A: Zayre Converts to Ames

Ames Outfits 254 Former Zayre Units With New Names, Technology

By Peter Hisey

ROCKY HILL, Conn. — The full consolidation of Ames and Zayre operations will move a step closer on Oct. 26 when all but 61 Zayre store signs will come down to be replaced by the Ames insignia. Altogether, 254 locations will change names.

The changes are more fundamental than a quick namechange. All Zayre stores have been equipped with state-of-the-art computerized cash registers and backroom computers which will link the locations to headquarters.

All former Zayre personnel have been retrained in Ames operations, the stores themselves have been revamped with new fixtures and lighting, and goods have been reticketed and repriced to match Ames standards.

Additionally, new merchandising, inventory, operating and financial systems have been installed.

According to Peter Hollis, president and ceo of Ames, this step is merely the public acknowledgment of a process that has consumed the company since the buyout a year ago.

Hollis toured major financial centers in late September, raising $100 million in a convertible debenture offering to retire higher-interest debt and to pay for the changes.

Ames president Peter Hollis forecasts a profitable second half after completing the conversion process. (DSN photo)

During meetings with potential investors, he noted that while the company posted a loss for the first half of fiscal 1990, the reduction of redundant expenses, the lowering of interest expense related to the Zayre acquisition, and completion of conversions should make the second half profitable.

Comparable store sales

(Continued on page 174)

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Rabbit Stars in Target Holiday Promo

MINNEAPOLIS — A Velveteen Rabbit plush toy, patterned after a childhood story book figure of the same name, will be the central theme of Target's Christmas promotion for 1989.

The promotion should break in all 401 Target stores the Sunday before Thanksgiving, said John Pellegrene, senior vice president for marketing.

The Christmas promotion takes its cue from the classic children's tale, "The Velveteen Rabbit," written by Margery Williams and published in 1922.

Stars in the lineup of some 50 licensed products in the Christmas promotion will be two sizes of Velveteen Rabbits peeking out of Christmas stockings. Target will offer them for $10 and $5, the same prices as last year's Christmas plush, Tweaks, which was a mouse whose ears squeaked when squeezed.

The line also features special Random House editions of the book, in hard and soft cover and board for infants, videotapes of "The Velveteen Rabbit," featuring the narration of Meryl Streep and the lighted-hearted piano "noodling" of George Winston (who plays the piano in Peanuts TV features), cassette tapes, and compact disks of a special song commissioned around the main message of the tale, "Love Makes You Real."

In addition, Target will offer tree ornaments, mugs, stationery, sleepwear, bath towels, sheet sets and matching comforters, maternity clothes, infants accessories and apparel, potpourri and music boxes, all based on the rabbit theme, Pellegrene said.

Vocalist Amy Grant sings theme song for Velveteen Rabbit promo.

This is the first time Target has developed a product line around its Christmas plush, Pellegrene said. In 1988, Target took the first tentative step, offering an activity book to go with its Christmas plush, Tweaks.

"This year's Christmas promotion will offer high-quality, beautifully designed products related the Velveteen Rabbit story—products you can't find anywhere else," Pellegrene said in a release.

The licenser is Rabbit Ears, a Los Angeles production company that produces video and cassette tapes of Hollywood stars reading children's classics.

In hard cover, the book will sell for $9.99 and $4.99 in soft cover. The board edition will be priced at $2.99.

Compact disks and cassettes will be priced at $9.99 apiece, Pellegrene said, while a combined offer of a video and the hardcover edition will be priced at $12.99.

The genesis of the Velveteen Rabbit promotion was an animated walk-through exhibit that Pellegrene developed when he headed promotion for Dayton Hudson, parent of Target.

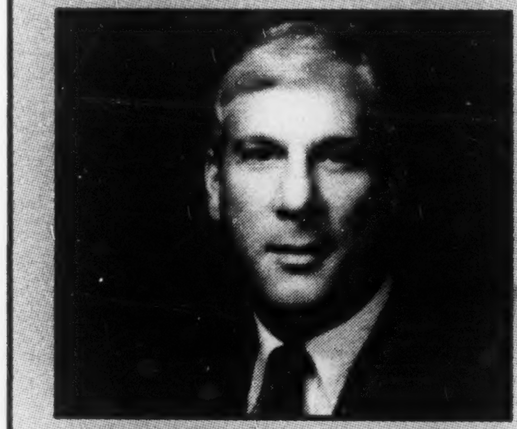
(Continued on page 174)

MARKETWATCH

The Last Hurrah for Crazy Eddie

NEW YORK — Crazy Eddie, crushed beneath a heavy debt load, has given up its reorganization effort and expects to file a plan of liquidation. The end of the chain generally credited with introducing discounting to the consumer electronics industry comes only weeks after its founder, Eddie Antar, was charged in SEC filings with stock fraud. Crazy Eddie reported in late May that its liabilities outweighed its assets by over $26 million, and two rounds of store closings haven't helped. A company statement said that "a reorganization [is] not feasible." The liquidation plan won't include distributions to stockholders.

Kasen Named President of Best Products



NEW YORK — Adler & Shaykin has named Stewart M. Kasen as president and chief operating officer of Best Products, the 194-store cataloger acquired in 1988 by the New York-based investment firm. He had been president of Emporium Capwell, a division of Carter Hawley Hale.

Whitlock Auto Hangs Out For Sale Sign

ATLANTA — Ward White PLC. Boots Co., the new British owners of Whitlock Auto, the nation's seventh largest auto chain, has retained First Boston, a New York investment banker, to find buyers for the 113-unit Whitlock and its subsidiary chains—Rose Auto, with 81 stores, and R&S Strauss, with 73. Bid invitations went out this month, but Ward White refused to name potential buyers or disclose expected sale prices for the three chains.

Ward Names Pond Sr. VP of Marketing

CHICAGO — Montgomery Ward has named Dale Pond as executive senior vice president, marketing, replacing John Daynard, who has retired. Pond, who joined Ward from Payless Cashways, will direct all corporate advertising and direct marketing programs, and will become a member of Ward's executive committee.

Lionel Rejects Takeover Offer

NEW YORK — Lionel Corp.'s board of directors has rejected a $150 million buyout offer from Robert Toussie and his New York investment partners. Moreover, the board slammed the door on any negotiations with Toussie. Lionel operates the nation's fourth largest toy specialty chain, Kiddie City. It still owns the Lionel electric train name but licenses it to others for production. At presstime, Toussie hadn't responded to Lionel's rejection.

USV Reaches Out Interactively to Canada

HOUSTON — U.S. Videotel (USV) plans to provide at least 50 of its interactive computer shopping and information services to ALEX, the Canadian videotex gateway operated by Bell Canada. ALEX is now available in Montreal and is to be expanded into Toronto next year. USV's new subsidiary, Canadian VideoNet, will also market goods and services from Canadian firms to the United States marketplace throughout USV's videotex network currently available in Houston but due to be expanded to three to four other cities annually. In Houston, USV operates Southwestern Bell Telephone's SourceLine gateway.

Nichols Obtains $7.5M Credit Line

NEW YORK — S.E. Nichols has lined up a $7.5 million line of credit backed by its inventory. Subject to final due diligence approval, the credit will be in effect by late October. It would expire next June 30. Nichols operates 30 stores in New York and Pennsylvania.

Lechmere Cuts Back in Southeast

WOBURN, Mass. — Lechmere will close eight of its 10 Southeast stores the day before Christmas because the units failed to meet the chain's expectations. Chairman and chief executive officer C. George Scala said Lechmere would "spend our available expansion capital where it will be most productive. Right now that is in the Northeast [where Lechmere has 18 stores]."

FOR THE RECORD

Robert Miles was the first general merchandise manager of The Wholesale Club, the Indianapolis-based membership warehouse chain. An article in *DSN's* Sept. 4 issue incorrectly identified him as a co-founder.

Handicapped Worker Bill Progresses

Discount Chains Face Higher Renovation Expenditures

By Deane Evans

WASHINGTON — Anti-discrimination legislation designed to protect the 43 million disabled Americans is on a fast track on Capitol Hill. If it passes Congress as expected, discount chains will face costly, federally-mandated store renovations for handicapped employees and customers.

The bill would require employers to provide accommodations for handicapped workers (e.g., wheelchair ramps and special equipment). Moreover, the measure contains a separate "public accommodations" provision which would force retail stores and other businesses open to the public to make "reasonable" structural changes to provide access for disabled customers.

The legislation would apply to a variety of citizens from the blind to those with AIDS, however, it would not extend to those suffering from drug-induced conditions, compulsive gambling and kleptomania.

If the bill is enacted, retailers could face expenditures of $2,000 or $3,000 to modify restrooms alone, according to Sen. Orrin Hatch, R-Utah, sponsor of an unsuccessful amendment to offer tax credits to affected businesses. Hatch also warned that operators who fail to provide required modifications could be fined up to $50,000 for a first infraction and as much as $100,000 for subsequent violations.

If passed, the bill would have particular impact on discounters undertaking "major structural alterations" to existing stores or building new structures. Thirty months after enactment, the legislation would require such facilities to ensure that "the path of travel" to restrooms, drinking fountains, telephones, etc., is "readily accessible and usable" by disabled individuals.

For example, new and renovated structures with more than two stories or more than 3,000 square feet per floor would require elevators if needed to provide access for the handicapped.

In addition to mandating physical access for the handicapped, the measure also calls for other employer action for disabled workers, including:

- Restructured job duties or responsibilities;
- Part-time or modified work schedules;
- Modifications of existing equipment or purchase of new equipment;
- Changes in worker examinations, training materials and personnel policy;
- Provision of "readers and interpreters," if necessary.

The bar on employment discrimination against handicapped workers would be phased in after a two-year delay. During the initial phase-in period, the law would apply to employers with 25 or more workers. The exemption would be reduced to 15 or more workers after the first two years of enforcement. "Public accommodation" provisions would go into effect 18 months after enactment.

McD's Eases Toys 'R' Us' Entry in Japanese Market

PARAMUS, N.J. — Toys "R" Us is sailing into the Land of the Rising Sun on the back of a Big Mac. In an end run around Japan's onerous distribution system, TRU has formed a joint venture with the Japanese subsidiary of McDonald's to open four or five stores in the next two years.

To ease its own entry into the Japanese market, McDonald's formed a 50-50 joint venture in 1971 with Dan Fujita, founder of Fujita & Co., a Japanese trading company, to establish McDonald's Company (Japan) Ltd.

TRU will own 80 percent of the joint venture, while McDonald's of Japan will hold the balance of 20 percent.

McDonald's of Japan, which already operates more than 675 restaurants with annual sales of $1.24 billion, will open additional units at the toy store sites.

In announcing the agreement, TRU chairman and chief executive officer Charles Lazarus said, "we are looking forward to . . . providing the Japanese consumers with the broad product selection and low prices that Toys "R" Us customers throughout the United States, Canada, Europe and Southeast Asia presently enjoy."

For his part, Fujita said in the release that, "we view our partnership with Toys "R" Us as yet another way to introduce the Japanese customer to a retailing concept that has revolutionized an industry internationally."

TRU launched its international division in 1984 and now operates 74 stores: 27 in Canada; 23 in Great Britain; 13 in West Germany; five in France; two each in Singapore and Malaysia; and one each in Hong Kong and Taiwan.

TRU operates 404 domestic toy stores, along with 137 Kids "R" Us children's apparel stores. TRU sales last year totaled $4 billion.

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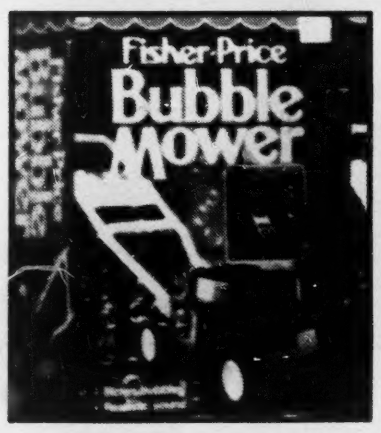
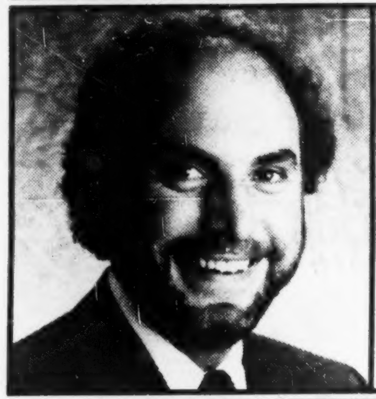


EDITORIAL

New Prototypes Have Much in Common

During the past several months, a plethora of prototype stores have been unveiled by many of the nation's leading retailers.

They include: Wal-Mart's so-called "Vendor Store," Janesville, Wis., the most highly publicized new store to open in years; Target's new P-88 in Eagan, Minn.; Sears' new power formats including Kids & More, Merrillville, Ill., and Homelife, Madison, Wis.; and Twin Valu, Cuyahoga Falls, Ohio, ShopKo's hypermarket concept.



TONY LISANTI
Editor

In addition, K mart quietly opened its newest test store in Oak Park, Ill., that boasts the look of the 1990s. And most recently (see story, page 1), Rose's unveiled its newest prototype store in Waldorf, Md. Even the department store segment produced its hottest new store in years with the debut of A&S in Manhattan, near Macy's flagship store at Herald Square.

Wow. The architects and designers have been busy!

The central theme among all these new stores has been a more upscale look designed by and for the customer. Said Rose's chairman Lucius Harvin about his newest prototype, "This is the store our customers asked us to build."

Certainly, that's the way it should be—a store that is designed according to customer needs, not the whim of a designer. A store that is convenient, easy, and fun to shop. A store that is functional, not merely a maze of expensive fixturing and lighting that provides a showcase for store design, but ends up being a nightmare for customers.

There are several elements that are consistent among every new store that has opened during the past several months. And these elements will be dominant through the 1990s. They include:

- Wider, less cluttered, aisles including the racetrack;
- Softer more contemporary color schemes;
- Better lighting and flooring, including more carpeting;
- More dominant graphics, and signage that reflects customers' lifestyles, emphasizes brand names, identifies departments and directs shoppers;
- More "power" product displays;
- More emphasis on check-out merchandising.

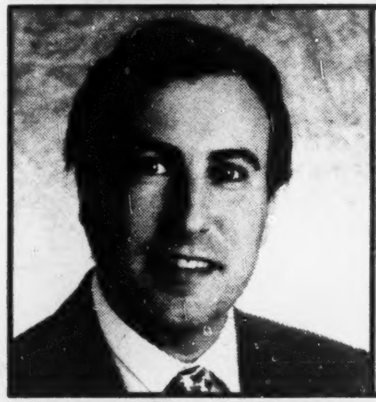
The purpose of a store is not to win design awards, but to win customers. And the new wave of prototypes have produced a lot of winners.

BUYERS & SELLERS

Secret Meetings Interfere With Building Trust

Encouraging closer ties between all retailers and manufacturers has been one of the key objectives of this column. I've attempted to keep our readers up-to-date on the latest developments in this often love-hate relationship between the people who make the goods and the people who sell them.

But now, it seems from recent articles in the *Wall Street Journal* and *Investors Daily,* a handful of top executives of competing retailers and manufacturers may have overstepped the bounds of common sense, if not law, as one of those published reports suggested.



DON LONGO
Exec Editor

According to the reports, these retailers and suppliers met at least three times during the past few years, under the aegis of Dave Pinto, publisher of trade publications for the drug and discount industry. Allegedly they discussed environmental safety, legislative issues, drug abuse and other matters of mutual concern. Unlike other trade association-, publication- or consulting firm-sponsored industry events that bring retailers and suppliers together, these meetings were open to only a select few giant firms, and their activities were blacked out to both the general and business press. *Investors Daily* reported that "such loosely defined organizations may be frowned upon by federal regulators involved in antitrust enforcement."

I have to admit that it's pretty hard to resist the temptation to zing a competitor like Pinto. However, it must be noted that neither the *Journal* nor the *Investors Daily* could substantiate any wrongdoing by any of the participants.

DSN's follow-up of the matter revealed that meetings did take place. A K mart spokesman said chairman Joe Antonini attended the meeting "where the politician spoke"—presumably that was last October in Dallas when Ron Ziegler, Nixon's former press officer and now president of the drug store chain trade association addressed the group. To their credit, Sears' ceo Michael Bozic and Target's ceo Bob Ulrich were invited but declined to attend. Other retailers and suppliers mentioned in the articles either declined comment or did not return phone calls. No one would speak on the record, but the prevailing mood of executives from companies not invited to the meetings was anger at being excluded while the big boys parleyed.

I can only suggest that the next time leading retailers and consumer goods marketers want to get together to discuss pressing issues, they publicize their agenda, open the meeting to *all* interested parties—big and small firms alike—and invite press scrutiny.

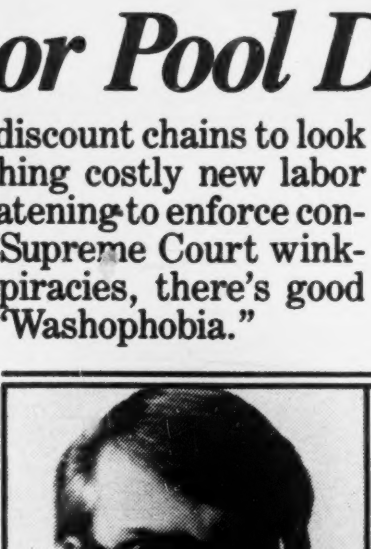
Secret meetings have no place in the building of successful and trusting partnerships between retailers and suppliers.

WASHINGTON REPORT

Shrinking Labor Pool Demands Federal Action

Washington is the last place for discount chains to look for help. With Congress pushing costly new labor legislation, tax collectors threatening to enforce controversial "Section 89" rules, and the Supreme Court winking at resale price maintenance conspiracies, there's good reason for discounters to suffer from "Washophobia."

It's time the industry should begin expecting and demanding more from Washington.



KEN RANKIN

For starters, how about some federal help to deal with the industry's deepening labor shortage?

Despite the influx of women into the labor market, discounters and other retailers are finding it increasingly difficult to staff existing stores. Where will the industry find the people to run all the new stores on the drawing boards for the 1990s?

According to the latest employment forecast from the Bureau of Labor Statistics, nearly 4.3 million Americans were employed as retail sales workers in 1986. But by the year 2000, the bureau expects that the demand for store employees will increase by 32 percent.

That comes to 1,345,000 people—on top of the millions who will have to be replaced due to turnover and attrition! In fact, the demand for retail sales workers will increase more than 50 percent faster than the nation's overall labor pool!

Not all retailers will encounter recruiting problems during the coming decade, however. According to BLS forecasters, "applicants seeking higher paying jobs selling expensive merchandise will face keen competition." While that may be a comforting prospect for chains like Neiman-Marcus or Nordstroms, the openings at Bradlees, Wal-Mart and other discount chains figure to be "much more numerous" than the applicants qualified for those jobs.

What can government do about the worsening labor crunch?

For one thing, Washington should stop threatening to impose costly new labor and payroll requirements on business. Government mandated pay increases and fringe benefits reduce the flexibility of chains to design new, more competitive employee compensation packages.

For another, Washington should unshackle millions of senior citizens anxious to return to the work force but unable to do so because of Social Security restrictions. Many older Americans want to work, the economy needs these people, and the discount industry should speak up on their behalf.

Discount Store News

is published by
LEBHAR-FRIEDMAN INC.
425 Park Ave., New York, NY 10022
212 371-9400
Subscription Services, ext. 379 or 419
Cable Address: LEBHAFRIED
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VP/Publisher **FRED J. FILER**

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Regional Manager **Richard J. Harrigan Jr.**

Washington 117-35 Striley Drive,
Ashton, MD 20861
301-774-3895
Manager, Correspondent **Kenneth Rankin**
Correspondent **Deane Evans**

Japan Diamond-Friedman Ltd. Chain Store Age News Japan 1-4-2 Kasumigaseki, Chiyoda-ku Tokyo, Japan 504-6750

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Publisher of Discount Store News, Accounting Today, Nation's Restaurant News, National Home Center News, Drug Store News, Chain Store Age Executive (with Shopping Center Age), *APPAREL merchandising.* Affiliates: Business Guides Inc. (Directories); Lebhar-Friedman Books; Inside Retailing (Newsletter); Chain Store Age News, Japan; Largo Music Inc.

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TOP BRANDS

Part I: Store Manager Survey

Brand Growth Accelerates Slightly

National Label Increases Confined to Five Merchandise Categories

By Laura Liebeck
Nationwide DSN Report

The growth rate of brand name goods at discount stores increased slightly this year, after two years of holding steady.

However, when store managers were asked about the growth of brand names in 17 specific merchandise categories, only five categories revealed increases in the number of name brands stocked on discount store shelves.

In addition, the percent of managers reporting a rise in the number of name brands carried declined dramatically in many departments.

Overall, about 42 percent of store managers said the number of national brands carried in their stores increased this year from the previous year, according to the Top Brands Survey, an exclusive poll sponsored by *DSN* and conducted by the Chicago-based market research firm Leo J. Shapiro & Associates.

A year ago, only 39 percent of store managers said brand name growth grew in their stores.

Half the managers polled this year said the number of national brands stayed equal with the ones last year.

The Top Brands Survey was conducted in June. It polled 307 discount department store managers on a variety of issues concerning brand name products in 17 merchandise categories.

Store managers from conventional as well as upscale discount store chains were asked several key questions:

- What are their best performing brands?;
- To what do they attribute the success of their top brands?;
- What brand would they like to add to their respective departments?

They were also asked about brand name growth in the past year, to forecast sales increases for this year and to name the department or departments that have experienced brand name growth since last year.

The poll produced overall brand rankings of manager preferences in each category. The survey results were also broken down by retail outlet—conventional or upscale—region of the country, and with a specific breakout for managers of the four largest discount chains—K mart, Wal-Mart, Ames/Zayre and Target.

Generally, store managers named fewer brands this year than they did last year. However, when they were specifically asked if their stores carried more, less or the same number of national brands this year compared to a year ago, 42 percent of the respondents said that they stock more national brands.

More specifically, managers of upscale discount chains like Target, Bradlees and Caldor reported more brand name growth than do conventional discounters—11 of 17 categories compared to six.

And almost nine of 10 K mart and Ames/Zayre managers said brand name products are on the rise in their stores. Three-quarters of Target managers said brands are on the rise and nearly as many Wal-Mart managers said the same.

Health and beauty aids, the No. 1 category on the brand growth list overall this year, was cited most often by conventional discounters.

Upscale discounters, however, cited housewares as the fastest growing brand category. Last year, housewares was the overall No. 1 growth area, but this year it dropped to No. 3.

On the whole, store managers appear satisfied with the brand selection in most of the 17 categories. This is particularly true, it seems, in photo and camera, stationery, food, candy and snacks, and toys.

Very few managers reported brand additions in these four categories. And based on survey results, managers offered no conclusive evidence that they want or need more brands.

In total, *DSN* surveyed managers on brand activity in personal care appliances, health & beauty aids, ladies', men's, infants', toddlers', children's apparel, hardware, consumer electronics, household cleaners and chemicals, automotives, cosmetics, sporting goods, domestics, toys, food, candy and snacks, stationery, and photo and camera, for this year's survey.

Of the 17 broad categories surveyed only ladies' apparel, hardware, consumer electronics, automotives, and domestics were mentioned by store managers as departments featuring more name brands this year than a year ago.

Three categories, household cleaners and chemicals, toys, and photo and camera received the same number of responses this year as they did a year ago.

All of the remaining nine product categories recorded fewer mentions as recording increases in brand name goods.

Last year's No. 2 finisher, health & beauty aids, and No. 4 placer, ladies' apparel, emerged as the two merchandise categories showing the greatest percentage of managers reporting brand growth from the previous year, and tied for first place on the current survey. Both received fewer mentions this year than last year, however.

Housewares, last year's No. 1 category for brand growth, fell back to third this year in a tie with men's apparel, which was No. 3 last year, and hardware, which was No. 6.

Consumer electronics and automotives were the only two merchandise categories to move significantly higher on the brand growth list. Each moved up four spaces on the list: CE to sixth and automotives to eighth.

Although the percentage of managers who said that they expect brand increases in CE and automotives to increase was small, the fact that it rose is significant.

Apparently, store managers expect the competitive arena for CE and automotives to continue. The pressure to present exciting departments stocked with the brands consumers want should continue to challenge both the manufacturers and retailers to sharpen their merchandising skills.

According to the survey results, that may not be true in sporting goods.

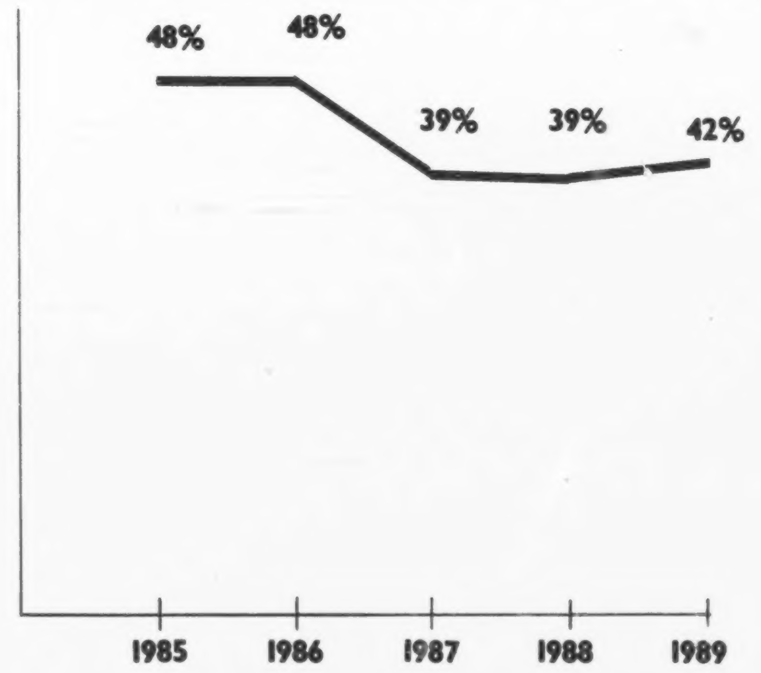
Sporting goods recorded the biggest decline on the brands growth list, falling from sixth place to 11th. Despite that five-notch fall, sporting goods was second to housewares as the category with the biggest decline in the number of managers reporting brand growth over the past year.

In sporting goods, as in housewares, it appears that

(Continued on page 58)

National Brand Name Growth At Discounters

Percent of store managers reporting increase in number of name brands carried in their store:



Source: Discount Store News/Leo. J. Shapiro & Assoc.

Where Name Brands Are Growing

Percent of store managers reporting increase in number of name brands carried by department:

Department	1989	1988	1987	1986	1985
Health & Beauty Aids	17%	21%	21%	17%	14%
Ladies' Apparel	17	13	10	16	18
Housewares	14	23	24	20	22
Men's Apparel	14	15	11	14	16
Hardware	14	9	8	11	9
Consumer Electronics	8	5	8	9	6
Household Chemicals	7	7	NA	5	3
Automotives	5	4	6	3	3
Cosmetics	4	7	10	6	9
Children's Apparel	4	6	3	3	5
Sporting Goods	3	10	11	9	5
Domestics	3	2	3	4	3
Toys	2	2	4	4	2
Food, Candy, Snacks	1	5	2	5	2
Stationery	1	2	NA	NA	NA
Photo, Camera	1	1	1	2	3
Personal Care Appliances	1	NA	NA	NA	NA

NA—not available Source: Discount Store News/Leo J. Shapiro & Assoc.

National Survey Reveals Store Manager's Top Performing Brands

Automotives ***153***

Quaker State
Pennzoil
Valvoline

Consumer Electronics ... ***117***

Emerson
General Electric
Panasonic

Cosmetics ***109***

Maybelline
Cover Girl
Revlon

Domestics ***111***

Cannon
Pepperell
J.P. Stevens

Food, Candy, Snacks ***141***

Hershey's
Mars
Frito-Lay

Hardware ***157***

Stanley
Black & Decker
General Electric

Health & Beauty Aids ... ***145***

Crest
Colgate
Johnson & Johnson

Household Cleaners ***115***

Tide
Clorox
Windex

Infants', Toddlers', Children's Apparel ***90***

Lee
Curity
Fisher-Price

Ladies' Apparel ***89***

Gitano
Lee
Jaclyn Smith

Men's Apparel ***92***

Lee
Wrangler
Fruit of the Loom

Personal Care ***118***

Conair
Clairol
Vidal Sassoon

Photo, Camera ***120***

Kodak
Polaroid
Canon

Sporting Goods ***149***

Wilson
Coleman
Spalding

Stationery ***147***

Mead
Bic
American Greetings

Toys ***158***

Fisher-Price
Mattel
Playskool

Store managers nationwide named their best performing brands in 17 merchandise categories, in a poll conducted for Discount Store News by Leo J. Shapiro & Associates.

Ads, Performance Key in Brand Preference

Nationwide DSN Report

Advertising, brand recognition and product performance are the three key ingredients to the success of a brand name item at retail, according to responses from store managers polled for *DSN*'s current Top Brands Survey.

Price, the No. 4 consideration, is waning dramatically in importance when it comes to the performance of top name brands, according to store managers.

Apparently, the quality of a product, coupled with a strong advertising program that fosters brand recognition, is more valuable at retail than at price alone.

These are interesting findings considering that the discount store industry depends upon quality, name brand goods at the right price. It also shows that discounters are becoming more successful at changing customer perception that they are sources of low quality, cheap goods.

This year, fewer managers named price as an attribute of a product's performance than they did last year. In fact, just one-fifth of the managers surveyed said that price is an attribute of their best performing brands, down from one-fourth of managers a year ago.

It is important to note, that however much price declined as an attribute of a product's performance, it is still a big consideration. And price is still judged to be a more important factor than variety, promotions, product presentation, sales and product features.

Advertising, by the vendor or retailer, remains the No. 1 reason a particular brand sells well at retail.

It may even begin sharing its top position with brand recognition, actually one of its byproducts.

In fact, advertising is an even greater influence over the performance of a product than it was a year ago.

On the current Top Brands Survey, store managers said advertising is the most dominant reason a brand meets with retail success for 10 of the 17 product categories polled.

Last year, store managers said advertising was the reason for the success of nine brands.

Brand recognition was cited as the No. 1 reason for the success of nine products, up from five a year ago.

Product performance was mentioned as the main attribute of eight product categories that performed well at retail, up from two last year.

Price was the main factor for just one product category this year—stationery—and even that was not a clear victory. Advertising, brand recognition and price tied as the reasons stationery brands are successful.

Overall, more than one-third of all store managers surveyed attributed the success of all their top performing brands to advertising, slightly more than in 1988.

Brand recognition, the No. 2 attribute, was mentioned slightly less often than advertising. It, too, recorded a small rise from last year.

Product performance, in third place, was mentioned as an attribute of top brands by a little more than one-fourth of the managers polled, down slightly from last year.

Regardless of the overall characteristics of a best performing brand, the success of each product category produced widely varying results.

For example, advertising was mentioned by half the store managers for the success of branded goods in health & beauty aids, the highest mention rate for any product category.

Product performance was the No. 1 reason hardware items sell well at retail, the highest response rate for this brand attribute.

Brand recognition was cited as the main attribute for domestics and men's apparel.

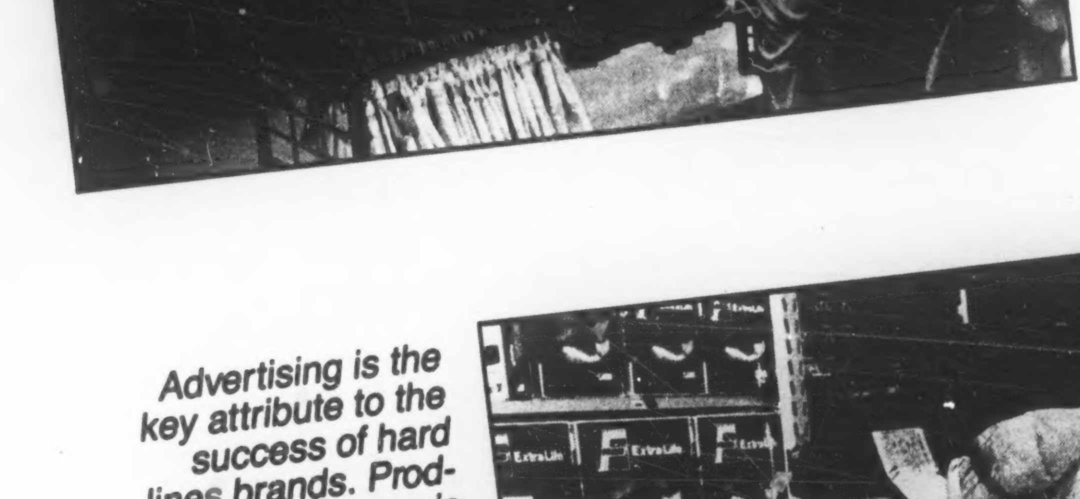
In addition to stationery, price was the biggest factor in determining top performing brands in men's apparel.

Attributes of Best Performing Brands

	Ads	Product Perform.	Brand Recog.	Price	Variety	Promos	Prod. Present.	Sales	Product Features
Average All Departments	35%	27%	32%	16%	4%	4%	3%	4%	1%
Household Cleaners & Chemicals	49	14	31	13	3	4	3	7	1
Housewares	31	39	36	14	6	5	2	3	1
Hardware	20	44	32	10	3	5	2	1	3
Domestics	22	28	41	21	4	6	3	1	—
Automotives	40	25	32	20	3	5	1	5	1
Stationery	21	13	21	21	9	3	4	5	2
Sporting Goods	27	37	31	15	4	3	2	3	—
Photo & Camera	49	28	45	9	1	3	1	3	—
Toys	39	39	30	6	6	4	—	4	—
Consumer Electronics	35	26	30	23	2	3	1	2	1
Food, Candy & Snacks	33	21	35	10	2	1	3	12	—
Men's Apparel	29	24	41	26	3	3	3	5	1
Ladies' Apparel	40	22	39	15	3	6	2	3	—
Children's Apparel	25	32	29	25	7	3	5	—	3
Personal Care Appliances	43	25	23	19	4	5	4	5	2
Health & Beauty Aids	50	24	29	23	1	9	5	7	—
Cosmetics	48	15	25	15	10	5	15	4	1

Numbers exceed 100% due to multiple responses.

Source: Discount Store News/Leo J. Shapiro & Assoc.



Brand recognition, product performance and advertising are equal components to brand success in the three apparel categories with brand recognition having a slight edge over the other two. (DSN photos)

Advertising is the key attribute to the success of hard lines brands. Product performance is second and brand recognition is third. Advertising is particularly important in health & beauty aids, household cleaners and photo and camera.

Brand Name Growth Accelerates Slightly

(Continued from page 57)

managers are relatively satisfied with their current brand mix and don't look for any major brand changes. It could also mean that changes in the current brand mix could be at the expense of existing labels.

Overall, each merchandise category remained in almost the same place on the brand growth list as a year ago. Therefore, store managers expect the relative increases in brands to continue on the same path.

However, the reshuffling of the top six positions on the brand growth list is the exception.

Obviously, store managers expect the competitive arena for these categories—health & beauty aids, ladies' apparel, housewares, men's apparel, hardware and consumer electronics—to continue, pressuring both retailers and manufacturers to refine their offerings.

This is particularly true in ladies' and men's apparel where discounters have been working diligently to upgrade their apparel selections with the brand names consumers want and trust along with establishing brand names of their own that accomplish the same task. The best example of this is K mart's Jaclyn Smith brand of ladies' apparel.

Jaclyn Smith was among the top 10 performing brands in ladies' apparel for the second consecutive year. It outperformed such popular national name brands as Chic, Levi's and Playtex.

In addition, Bobbie Brooks, an exclusive line of ladies' apparel at Wal-Mart, was on the top 10 list in the category.

TOP BRANDS APPAREL

WOMEN'S/MEN'S/CHILDREN'S/HOSIERY/JEWELRY & ACCESSORIES/UNDERWEAR/INTIMATE APPAREL

Gitano, Lee Pack One-Two Punch in Ladies'

Nationwide DSN Report

Gitano once again was the No. 1 label in ladies apparel, but with a slightly diminished lead over second-place Lee on *DSN's* Top Brands survey, according to responses from store managers.

Despite its weakened hold on the top spot, Gitano did garner more responses this year than last year from store managers as a top performing brand. And so did Lee.

This year, just five percentage points separate the two jeans labels from each other, down two percentage points from the 1988 survey.

Gitano's position as the top performing brand in ladies apparel held firm among all discounters surveyed. At upscale discounters, Gitano posted a sizable jump from last year.

But Gitano's hold on the No. 1 spot did not translate into across-the-board victories among discounters in the Midwest and West and at K mart, Wal-Mart and Target. The top spot didn't go to Lee, either. Instead, the top finishers varied by region and retailer.

Upscalers Embrace Gitano

Gitano's strength at upscale discounters was the company's greatest improvement from the 1988 survey. In years past, Gitano had trouble gaining a foothold at upscale discounters. No more.

In the 1988 survey, Lee led Gitano by one percentage point at upscale discounters. This year, Gitano surged 15 percentage points ahead.

Gitano lost some ground at conventional discount stores, where Lee closed the gap to just two percentage points.

Overall, nearly one-third of all store managers surveyed named Gitano as their best performing brand, up one percentage point from a year ago.

Second-place Lee garnered 25 percent of all the responses, up three percentage points from the 1988 survey.

After Gitano and Lee, the top 10 brands in ladies' apparel looked essentially the same as last year. There were no additions or subtractions, only a slight reshuffling.

This year, like last year, Jaclyn Smith was third and Chic was fourth. Bobbie Brooks shared fifth place with Levi's, which moved up from eighth on the 1988 survey. Playtex came in seventh and Wrangler, eighth, a reversal from last year's form. Fruit of the Loom and Cape Cod also switched positions on the current survey. This time, Fruit of the Loom was ninth, and Cape Cod, 10th.

Cape Cod was the only non-jeans sportswear label that is not an exclusive brand to make the Top Brands list in ladies' apparel.

Again, the 1989 survey was dominated by jeans labels (five) and foundations (two).

Wrangler, dominant in the men's department but not in ladies', once again made the Top 10 list in ladies' apparel. However, Wrangler has been losing ground among discounters for the past few years, according to results of the Top Brands survey.

In 1987, one-fifth of all store managers named Wrangler as a top performing brand. Last year, Wrangler was named by fewer than one in 10 managers and this year by just one in 20.

Fruit of the Loom gained ground from last year, as did Playtex and Levi's.

In fact, when store managers were asked what brands they would add to their inventory in ladies apparel, Levi's was the brand most frequently mentioned.

Lee improved its standing with store managers at conventional discounters in this year's survey, and narrowed the gap between it and Gitano, the overall top performer. (DSN photo)

Ladies': Top Brands Vary by Type of Outlet

	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	**1989**	**1988**	**1989**	**1988**	**1989**	**1988**
Gitano	30%	29%	27%	29%	42%	30%
Lee	25	22	25	20	27	31
Jaclyn Smith	11	11	14	13	—	—
Chic	10	9	10	7	12	20
Bobbie Brooks	7	8	9	9	—	—
Levi's	7	4	8	3	2	8
Playtex	6	4	5	3	9	12
Wrangler	5	7	4	7	10	4
Fruit of the Loom	4	2	4	1	7	6
Cape Cod	2	3	2	3	4	5

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Levi's products are not sold directly to discount chains, but rather through diverters.

Although both Jaclyn Smith and Bobbie Brooks are not national brands, they continue to make the Top 10 list.

Jaclyn Smith is a private label brand developed and sold exclusively by K mart. And Bobbie Brooks is an exclusive label at Wal-Mart. The continued success of these two labels on *DSN's* Top Brands survey illustrates the strength of private label at a national chain.

Both Jaclyn Smith and Bobbie Brooks maintained their 1988 rankings on the Top Brands survey, third and fifth, respectively, with approximately the same rate of mentions as a year ago and with a greater response than most national brands.

Both K mart and Wal-Mart gave their exclusive brands top billing as their best performing brands by far.

Six out of 10 Wal-Mart managers named Bobbie Brooks as their best selling ladies' apparel label followed by Gitano with five out of 10 mentions.

At K mart, Jaclyn Smith was named as the top performing brand by almost six out of 10 managers followed by Lee and Playtex with fewer than two of 10 mentions.

Ladies': How Industry's Top 5 Fare at Chains

Brand	**K mart**	**Wal-Mart**	**Ames/Zayre**	**Target**
Gitano	12%	53%	80%	36%
Lee	15	3	32	42
Jaclyn Smith	57	—	—	—
Chic	2	—	2	39
Bobbie Brooks	—	61	—	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Gitano was the No. 1 apparel brand at only Ames/Zayre. Eight out of 10 store managers there named Gitano as their best performing brand, followed by Lee, Cape Cod and Hanes.

Lee was the top performing brand at Target, with four of 10 store managers naming the jeans label as their best performing brand. Chic jeans, mentioned almost as often as Lee was second, followed by Gitano.

Regionally, Gitano and Lee were first and second in the Northeast and South. In the North Central states, Lee was first and Gitano was second.

Store managers in the West gave Jaclyn Smith the top spot among brands with nearly three of 10 responses. Obviously, more Western-based K mart managers answered the survey. Gitano came in second to Jaclyn Smith in that region.

Jaclyn Smith apparel was a best performing brand because of the its vigorous advertising schedule and product performance, noted store managers. Brand recognition was listed as a third reason the label performs well.

Overall, store managers attributed advertising, particularly vendor advertising, as the top reason an apparel brand performs well. Brand recognition and product performance were also cited by managers as important considerations in their picks.

Ladies': Top Brands' Performance by Region

Brand	**Northeast**	**South**	**North Central**	**West**
Gitano	37%	31%	33%	15%
Lee	25	19	39	14
Jaclyn Smith	5	9	10	28
Chic	3	11	14	7
Bobbie Brooks	—	14	6	—
Levi's	3	8	4	12
Playtex	5	5	9	2
Wrangler	4	1	12	2
Fruit of the Loom	—	7	4	3
Cape Cod	9	2	—	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Infants' & Toddlers' Labels Resurface on Top 10

Infants', Toddlers', Children's: Top Brands Vary by Type of Outlet

	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	**1989**	**1988**	**1989**	**1988**	**1989**	**1988**
Lee	13%	12%	13%	10%	11%	21%
Curity	11	10	8	7	24	23
Fisher-Price	9	—	7	—	19	—
Health-Tex	7	8	7	7	7	14
OshKosh	6	4	6	5	3	—
Liberty	6	8	7	10	—	—
Fruit of the Loom	5	5	5	4	5	7
Pampers	4	—	5	—	—	—
Garanimals	4	6	4	7	5	2
Garan	4	4	5	3	1	4

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Nationwide DSN Report

After a year's hiatus, infants' and toddlers' wear brands reappeared on the top 10 list with more strength, curtailing the momentum children's labels started last year, according to results of *DSN*'s Top Brands Survey in children's apparel.

The reappearance of infants' brands in the top 10—and with greater strength in the top 20—affirms a longstanding trend among parents to purchase only name brand merchandise for newborns and toddlers.

In fact, store managers reported that a top performer in children's is largely attributed to advertising, brand recognition and product performance, in that order.

On the whole, the 1989 Top Brands list in children's features a better combination of labels from all three children's apparel groups than it did a year ago.

New to the Top 10 this year are Fisher-Price, the top ranked toy label, and Pampers diapers. Fisher-Price produces both infants' and toddlers' wear.

Infants', Toddlers', Children's: How Industry's Top 5 Fare at Chains

Brand	K mart	Wal-Mart	Ames/Zayre	Target
Lee	2%	5%	27%	17%
Curity	12	18	7	22
Fisher-Price	2	34	—	17
Health-Tex	3	—	2	6
OshKosh	—	—	—	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Pampers, the top ranked diaper label, reappeared this year after dropping off last year's survey.

Labels such as Spencer's, Gerber, Dr. Denton, Huggies, Carter, and Luvs, all big names in infants' wear, are among the brands that were also named by store managers as top performing brands in children's apparel, but were ranked below the top 10.

Levi's, Wrangler, Hanes, and Gitano are some of the top children's wear names appearing in the top 20.

A total of 24 children's labels were mentioned by store managers as top performers. In addition, the category called "other" received the same number of mentions as Fisher-Price.

But it was Lee that was mentioned most often as the top performing brand in children's wear.

For the second consecutive year, Lee edged out Curity, a popular label in infants' wear, for the No. 1 spot.

Lee maintained a two percentage point lead over Curity, the same as last year. In 1987, Lee and Curity were tied for second behind Fruit of the Loom.

Fruit of the Loom, which was tied for eighth last year with Spencer's, was again ranked eighth this year but by itself. Spencer's, however, dropped off the top 10 list to 14th on the current survey.

Also exiting the top 10 list this year was Levi's. Last year, Levi's was tied with Garanimals for fifth place. This year Levi's slipped down to 12th place.

Except for the two labels that exited the Top 10 list and the two that were added, this year's survey of top performing children's apparel brands contained the same labels as last year's, albeit in reshuffled form.

All of the labels, including top-ranked Lee, are separated by just a percentage point or two in the rankings and could be easily unseated from their positions in subsequent surveys.

In fact, Curity received more than twice the number of mentions from upscale discounters as a top performing brand than did Lee. And among Wal-Mart managers, Fisher-Price was named as a top performer over Lee by nearly nine to one.

Overall, however, Lee was the No. 1 brand, followed by Curity, in second; Fisher-Price, third; Health-Tex, fourth; OshKosh and Liberty tied for fifth; Fruit of the Loom, seventh; and Pampers, Garanimals and Garan tied for eighth.

Lee's best showing was with conventional discounters, coming in five percentage points ahead of Curity.

Upscale discounters, however, gave the first-place spot to Curity. One-fourth of the store managers surveyed named Curity as a top performer followed by Fisher-Price in second and Lee in third. Conventional discounters mentioned Lee most often as a top performing brand making it the clear No. 1 followed by Curity in second and Fisher-Price, Health-Tex and Liberty were tied for third.

Liberty is exclusive to Wal-Mart. Its inclusion on the Top 10 list illustrates the strength of a private label at a national chain.

Health-Tex, last year's No. 3 finisher, fell back one place on the current survey, due largely to a sharp decline at upscale discounters although not at Target.

Target store managers named Health-Tex as a top performer as often in this year's survey as last year's.

OshKosh, tied for ninth last year, moved up to fifth this year, and improved its standing at both conventional and upscale discounters.

Liberty fell one place in the rankings due to fewer mentions by Wal-Mart managers. However, Liberty was still the No. 1 children's label at Wal-Mart, according to store manager responses.

Fruit of the Loom, the lone underwear label on the top 10, improved its standing at conventional discounters but weakened among upscalers.

Results for Garanimals were exactly opposite to Fruit of the Loom. Although Garanimals fell in the rankings, the decline was not attributable to fewer mentions by managers at the top four retailers. In fact, K mart, Wal-Mart, Ames/Zayre and Target all mentioned Garanimals more often this year than last. Obviously, the decline came from other, unnamed discounters.

Among chains, Garan, maker of the Garanimals label, did best at Wal-Mart, finishing fourth behind Liberty, Fisher-Price and Curity.

Survey responses by K mart managers made Curity the No. 1 brand, followed by Pampers, and Fruit of the Loom and Wrangler finished in a tie for third.

At Ames/Zayre, the top spot went to Lee and Fruit of the Loom was second.

Lee, Curity, Fisher-Price and Fruit of the Loom finished in a four-way tie for top honors at Target.

In the regions, Lee was No. 1 in the South, with more mentions this year than last, followed by Fisher-Price in second and Curity and Liberty tied for third.

Health-Tex was the No. 1 children's apparel brand in the West followed by Curity and Pampers tied for second. Lee was fifth. (Last year Lee wasn't even mentioned as a top performer in the West.)

Curity was the top performer in the North Central states, followed by Lee in second.

OshKosh was first in the Northeast—a dramatic improvement from last year when it was fifth and tied with Health-Tex.

INFANT BOYS
EVERYDAY LOW PRICE

In the current survey, infants' and toddlers' wear brands made inroads against once-dominant children's labels. (DSN photo)

Infants', Toddlers', Children's: Top Brands' Performance by Region

Brand	Northeast	South	North Central	West
Lee	18%	16%	11%	5%
Curity	9	10	14	7
Fisher-Price	9	12	10	3
Health-Tex	6	4	9	12
OshKosh	19	2	6	3
Liberty	—	10	6	—
Fruit of the Loom	2	6	6	6
Pampers	1	6	4	7
Garanimals	1	4	7	3
Garan	1	7	4	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Lee Gets a Leg Up on Other Men's Brands

Nationwide DSN Report

Lee strengthened its position as the No. 1 label in men's apparel, widening its lead over Wrangler, which was tied with Fruit of the Loom for the No. 2 spot, according to responses to *DSN's* 1989 Top Brands Survey.

Lee was mentioned as a top performing brand by three out of 10 store managers.

One-fourth of all managers surveyed named Wrangler and Fruit of the Loom as top performers.

For all three popular brands, the survey results reflect a strengthened position from 1988 and a recouping of ground lost since 1987.

Fruit of the Loom, which was ranked No. 1 on the 1987 survey and No.3 last year, lost ground in the West and Northeast and at Ames/Zayre but recorded a major improvement at Target.

Nearly half of all Target managers named Fruit of the Loom as the best performing brand, outscoring Wrangler in second and Lee in third. Levi's was tied with Brittania, its mass market label, for fourth place, according to manager responses.

If the responses to Levi's and Brittania were added together, however, the Levi company would be the No. 1 label at Target.

Two Newcomers to Top 10

New to the Top Brands list this year are Gitano and Brittania, finishing eighth—tied with Manhattan—and 10th, respectively.

Gitano and Brittania replaced Rustler, Wrangler's mass market label which ranked eighth last year—and Ocean Pacific, ranked 10th.

This year Rustler was 11th and Ocean Pacific was not even mentioned as a top performing brand.

Gitano's thrust into the chart this year—due primarily to its showing at upscale discounters—is undoubtedly due to the brand's appeal among women and the fact that women are, by and large, the apparel purchasers in the family.

Gitano may stage another spurt, with the help of its new advertising campaign that targets family apparel needs with homespun themes, further enhancing the brand's appeal to women.

In fact, almost one-fifth of all managers at upscale discount stores named Gitano as a top performing brand, just one percentage point below Wrangler.

Wrangler, too, is poised to advance on the Top 10 list now that its new campaign has been released. The new campaign was designed to develop Wrangler's penetration in the Northeast and among working class and older customers.

Men's: Top Brands Vary by Type of Outlet

	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	**1989**	**1988**	**1989**	**1988**	**1989**	**1988**
Lee	29%	24%	29%	22%	29%	37%
Wrangler	25	23	26	25	19	13
Fruit of the Loom	25	22	25	22	23	23
Hanes	16	17	16	15	20	23
Levi's	13	10	13	8	16	19
Dickies	10	11	12	13	—	2
McGregor	7	8	7	8	9	8
Gitano	5	—	3	[illegible]	18	—
Manhattan	5	5	5	[illegible]	6	7
Brittania	4	—	3	—	9	—

Source: Discount Store News/Leo J. Shapiro & Assoc.

BVD
FRUIT OF THE LOOM
Hanes
THANK YOU
HANES YOU TRUST
10⁹⁹

Although Lee was the overall top performing brand in men's wear, Fruit of the Loom and Hanes received more mentions from K mart managers. (DSN photo)

Men's: Top Brands' Performance by Region

Brand	Northeast	South	North Central	West
Lee	42%	27%	36%	8%
Wrangler	17	29	26	24
Fruit of the Loom	13	32	27	15
Hanes	13	19	16	15
Levi's	10	11	13	24
Dickies	11	11	9	8
McGregor	15	4	11	—
Gitano	8	4	9	—
Manhattan	6	5	6	3
Brittania	2	2	8	1

Source: Discount Store News/Leo J. Shapiro & Assoc.

Brittania made the Top 10 list this year in large measure to upscale discounters and at Target in particular.

Overall, the Top Brands Survey in men's apparel, after Lee, Wrangler and Fruit of the Loom, were as follows: Hanes, fourth; Levi's, fifth; Dickies, sixth; McGregor, seventh; Gitano and Manhattan tied for eighth; and Brittania, 10th.

Aside from the two gains and two losses on the men's apparel list, the lineup of the category's Top 10 stayed basically intact.

Notable was the flip-flop of Fruit of the Loom and Hanes and of Levi's and Dickies.

Both Levi's and Dickies are stronger at conventional discounters than they are at upscalers. And Fruit of the Loom performs better at conventional discounters than at upscalers, according to survey responses.

McGregor, ranked seventh last year and on the current survey, held its own with roughly the same number of responses. The same was true for Manhattan.

Supporting McGregor's standing on the charts is the label's high standing at Ames/Zayre. McGregor was the No. 2 brand at Ames/Zayre behind Lee.

Manhattan's standing on the Top 10 chart was largely attributed to the label's strength at Wal-Mart. At Wal-Mart, Manhattan was the No. 5 brand behind first place Wrangler, Fruit of the Loom, Hanes and Dickies.

Whatever the specific brand, store managers reported that to be a top performing brand in the men's apparel department, the label must be recognizable, perform well and be supported with vendor advertising.

In fact, nine out of 10 managers said brand recognition was the main reason Lee sells so well. An equal number of managers attributed the success of Wrangler and Fruit of the Loom to product performance.

Interestingly, when store managers were asked what brand of men's apparel they would add to their mix if they had the chance, Levi's was mentioned most frequently, followed by Wrangler .

Despite its overall No. 1 position on the Top Brands Survey, Lee did not make a clean sweep of all the categories.

Lee was the top performing brand among conventional and upscale discounters, in the Northeast and North Central regions, and at Ames/Zayre. However, Lee weakened in dominance at upscalers and in the West.

Lee strengthened its position among conventional discounters, in the Northeast, South and the North Central states, and at K mart, Wal-Mart and Ames/Zayre.

In fact, Lee's most dramatic improvement occurred among Northeastern managers. Four out of 10 managers named Lee as a best performing brand in the Northeast, compared with three of 10 a year ago.

Although Lee improved in the standings at both K mart and Wal-Mart, Wrangler took top honors at both discount chains.

However, Wrangler's best showing was at Target where more than one-third of the managers said Wrangler was a top performing brand.

Target managers also gave top honors to Fruit of the Loom. Wrangler was No. 2 and Lee and Brittania were tied for third.

At K mart, Wrangler was the top performing brand followed very closely by Fruit of the Loom then Hanes, Lee and Levi.

The top brands at Wal-Mart mirrored those at K mart for the top three spots. Dickies followed in fourth place and Manhattan finished fifth.

Lee was the top brand at Ames/Zayre with McGregor in second, Fruit of the Loom, third, Wrangler, fourth and Dickies, fifth.

Levi's, the No. 5 brand on the overall brand list, moved into that position largely as a result of improved standings at K mart and Target.

Dickies, last year's No. 5 brand, fell off that list as a result of a much weaker showing at Ames/Zayre. That decline is probably due to Ames' acquisition of Zayre and a reorganized merchandise mix.

Men's: How Industry's Top 5 Fare at Chains

Brand	K mart	Wal-Mart	Ames/Zayre	Target
Lee	17%	8%	57%	31%
Wrangler	28	34	23	36
Fruit of the Loom	27	32	27	47
Hanes	23	21	11	19
Levi's	12	5	5	25

Source: Discount Store News/Leo J. Shapiro & Assoc.

Little Makeover Necessary Among Top 10

Nationwide DSN Report

For the sixth straight year Maybelline, Cover Girl, Revlon and Max Factor were the top four cosmetic brands at discount stores, according to results of *DSN's* 1989 Top Brands Survey.

And the four just keep getting bigger.

Maybelline, Cover Girl and Revlon garnered more mentions this year as top performers than they did a year ago, increasing their influence and dominance in the category.

Max Factor, which recorded a one percentage point slip this year, split its influence with Maxell, its parent company.

Maxell was named as a top performing brand with enough mentions to make it No. 7 on the list in a three-way tie with Clairol and Noxell, maker of Noxema.

If Max Factor and Maxell are added together, the cosmetics company would have increased its hold on the No. 4 spot on the Top Brands list. But it would have remained in the fourth slot, still far behind No. 3 Revlon.

Seven of last year's top 10 labels returned to the Top Brands list this year.

The labels not returning to the top 10 are: Almay, down two spots this year to 12th; Sally Hansen, down two places to 11th; Hazel Bishop, which tied Almay for 10th last year but now at 15th; and Aziza, tied with Clairol in 1988 for the No. 7 spot slipped to 13th on the current survey.

New to the list this year are Clarion, in sixth; Maxell, in the three-way tie for seventh; and Coty in 10th.

L'Oreal, last year's sixth place finisher on the top 10 brands list in cosmetics, rose to fifth on the current survey but with the same number of mentions.

Overall, the top four brands advanced, or strengthened their hold on their respective positions, at the expense of other highly-recognizable cosmetic labels.

Maybelline, with a firm hold on the No. 1 spot on the chart, was mentioned as a top performing brand by three-quarters of the managers surveyed. It increased its position among conventional and upscale discounters, in three of the four regions and three of the four discount chains.

So strong is Maybelline that nearly nine of 10 store managers at K mart and Ames/Zayre mentioned the label as a top performing brand.

For both discounters, Cover Girl was second and Revlon, third.

Maybelline's biggest increase this year was recorded in the Northeast where it advanced 15 percentage points from last year, 25 percentage points ahead of second place Cover Girl.

In the one region where Maybelline did not advance its position, the North Central, it held even with its results from the prior year's survey.

The only decline in dominance recorded by Maybelline was at Wal-Mart. Store managers there said Maybelline was a top performing cosmetic brand slightly less often than they did a year ago but still got three-quarters of all mentions.

Despite all of the increases, Target store managers named Revlon as their top performing brand by three percentage points over Maybelline.

Two-thirds of Target store managers named Revlon as their top performing cosmetics brand, followed closely by Maybelline and Cover Girl in third.

Cover Girl, No. 2 overall, enhanced its standing everywhere but at upscale discounters, in the West and at Wal-Mart and Target.

Wal-Mart buyers named Cover Girl as a top performing brand four out of 10 times, a little less than a year ago. Cover Girl maintains its No. 2 position at Wal-Mart and was closely followed by Revlon, which increased its position at the Bentonville, Ark.-based chain.

Revlon was in third and L'Oreal in fourth.

Target store managers were less enthused with Cover Girl. Four out of 10 managers of the Minneapolis-based upscale discounter named Cover Girl as a top performing cosmetics brand, down from six of 10 a year ago.

Cover Girl's most dramatic increase was recorded at K mart and by retailers in the North Central.

Six out of 10 discounters in the North Central named Cover Girl a top performer this year, up from four out of 10 last year. In the Northeast, Cover Girl gained 10 percentage points from the 1988 survey.

Third place Revlon recorded a modest increase over last year among all discounters, but more sizeable gains among discounters in the Midwest and at K mart and Target.

Target managers gave Revlon its biggest advantage but the scales were balanced by a small decline at upscale discounters and a more substantial one in the Northeast region.

Revlon was the No. 1 cosmetics brand at Target followed by Maybelline—which tied with Cover Girl for the one-two spots in 1988—and Cover Girl in third.

Max Factor's hold on the No. 4 position was a product of small advances and setbacks. Advances were recorded among conventional discounters, in the Northeast and at K mart, Wal-Mart and Target.

Max Factor recorded setbacks by upscale discounters, in the South and at Ames/Zayre.

L'Oreal, No. 5 on the top brands list in cosmetics, lost ground everywhere but in the West and at Wal-Mart.

In fact, it appears that Wal-Mart is the biggest supporter of L'Oreal products.

More than one-quarter of all Wal-Mart managers surveyed named L'Oreal as a top performing brand. In contrast, few K mart or Target managers named L'Oreal as a top performer and no Ames-Zayre managers did.

The success of a top performing brand in the cosmetics department is attributed to vendor advertising, brand recognition and product performance, according to store managers.

Brand recognition was the top ranked reason Maybelline performs so well at retail, managers said.

Therefore, cosmetics labels that are not well recognized by the public have a lower chance of success.

According to this year's survey, Clarion—which has become a recognizable brand through the company's aggressive advertising program—and Coty have broken through that important barrier.

Cosmetics: Top Brands Vary by Type of Outlet

	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	**1989**	**1988**	**1989**	**1988**	**1989**	**1988**
Maybelline	74%	70%	76%	73%	61%	57%
Cover Girl	51	44	54	44	36	46
Revlon	35	31	28	22	70	76
Max Factor	11	12	10	9	18	23
L'Oreal	7	7	7	10	6	14
Clarion	3	—	3	—	1	—
Clairol	2	4	2	4	2	4
Noxell	2	9	2	10	—	2
Maxell	2	—	2	—	—	—
Coty	1	—	2	—	—	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

REVLON
MAX FACTOR
ALMAY
L'OREAL
MAYBELLINE

Maybelline, Cover Girl and Revlon ranked higher this year than in the prior one. Maybelline was mentioned by three-quarters of the managers within the survey. New contenders in this year's survey are Clarion, Maxell and Coty. (DSN photos)

Cosmetics: Top Brands' Performance by Region

Brand	**Northeast**	**South**	**North Central**	**West**
Maybelline	72%	75%	72%	72%
Cover Girl	47	50	60	40
Revlon	41	27	38	44
Max Factor	17	8	11	13
L'Oreal	3	7	8	8
Clarion	5	2	3	2
Clairol	2	1	2	7
Noxell	3	—	4	2
Maxell	—	1	1	4
Coty	—	2	1	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Cosmetics: How Industry's Top 5 Fare at Chains

Brand	**K mart**	**Wal-Mart**	**Ames/Zayre**	**Target**
Maybelline	87%	74%	86%	64%
Cover Girl	67	40	75	44
Revlon	23	37	27	67
Max Factor	10	16	2	14
L'Oreal	5	26	—	3

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Cannon, Pepperell Weave Strong Results

Nationwide DSN Report

Pepperell continued its four-year climb in the rankings, culminating this year in the No. 2 spot behind Cannon, the perennial leader in the domestics category.

DSN's current Top Brands Survey recorded a three percentage point increase in the number of mentions for Pepperell—maker of Lady Pepperell and WestPoint Pepperell—as a top performing brand in domestics.

The gain is attributed to a variety of factors: an increased presence at both conventional and upscale discounters and a stronger showing at K mart.

In addition, third-place finisher J.P. Stevens—which is now owned by Pepperell—further enhances Pepperell's presence in the marketplace.

If both Pepperell and J.P. Stevens' results are added together, Pepperell would substantially increase its showing but not its ranking.

Individually, one in 10 managers surveyed named both Pepperell and J.P. Stevens as best performing brands in domestics. Together, they got one-fifth of the mentions, still below that of Cannon, even without Cannon's St. Mary's and Fieldcrest labels added in.

Cannon Outperforms Others

More than half the store managers surveyed named Cannon as a best performing brand, outperforming the other nine brands on the top 10 list combined.

Cannon, the six-time leader in the domestics category, strengthened its position as the industry giant and top ranked domestics label, albeit slightly. The domestics manufacturer recorded a one percentage point increase in its standings this year.

Cannon's strength at retail is attributed first to its brand recognition then to advertising and product performance.

For the top four domestics labels, brand recognition is considered the primary attribute to a label's success followed by product performance and advertising.

Price is the No. 4 factor, according to manager responses.

The top 10 list of best performing brands in domestics includes just one new brand this year, Martha Stewart.

Exclusive to K mart, Martha Stewart—the company's home entertaining consultant and spokeswoman—is developing a full line of domestics and other products under her name. Many of the products, from sheets and pillowcases to dinnerware, are being produced by some of the industry's leading domestics manufacturers. Some of them are on the top 10 list in domestics.

Domestics: Top Brands Vary by Type of Outlet

Brand	All Discounters		Conventional Discounters		Upscale Discounters	
	1989	1988	1989	1988	1989	1988
Cannon	54%	53%	59%	55%	30%	40%
Pepperell/Lady Pepperell/ Westpoint	12	9	11	9	19	11
J. P. Stevens	11	18	12	17	9	21
St. Mary's	11	9	10	6	18	22
Springs/Spring Mills	6	7	6	8	6	1
Martha Stewart	3	—	4	—	—	—
Dan River	3	2	3	2	5	3
Fieldcrest	2	3	2	3	2	2
Kenney	2	4	1	4	3	2
Burlington	1	4	2	3	—	8

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

In fact, the mentioning of Martha Stewart-brand domestics as a top performing brand probably held down Cannon's increases. Cannon is a major supplier to K mart and is producing some of Martha Stewart's bed and bath coordinates. (So does J.P. Stevens and WestPoint Pepperell.)

Exiting the top 10 list this year is Graber, a popular window treatment maker, which dropped down to 12th place.

Essentially, the top 10 list remained intact, except for some reshuffling of positions.

Overall, after Cannon and Pepperell, the rest of the top 10 list looked like this: J.P. Stevens, St. Mary's, Springs/Spring Mills, Martha Stewart, Dan River, Fieldcrest, Kenney and Burlington.

Noteworthy this year is the position switch between J.P. Stevens and Pepperell, the rise of Dan River and the weakening of Kenney and Burlington.

The drop of Graber and the weakened position of Kenney, also a window treatment maker, could be the result of the increased attention given to bed and bath and the growing emphasis on coordination.

Domestics: Top Brands' Performance by Region

Brand	Northeast	South	North Central	West
Cannon	36%	63%	53%	51%
Pepperell/ Lady Pepperell	21	11	8	14
J.P. Stevens	15	9	12	11
St. Mary's	20	12	8	5
Springs/ Spring Mills	12	4	212	
Martha Stewart	5	3	1	9
Dan River	3	4	3	—
Fieldcrest	2	2	4	—
Kenney	5	2	—	—
Burlington	1	—	—	7

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Domestics: How Industry's Top 5 Fare at Chains

Brand	K mart	Wal-Mart	Ames/Zayre	Target
Cannon	67%	71%	48%	44%
Pepperell/ Lady Pepperell/ Westpoint	17	18	5	17
J.P. Stevens	27	13	9	11
St. Mary's	5	8	21	14
Springs/ Spring Mills	12	8	9	3

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Dan River, which was down in the rankings, actually accumulated more mentions this year than last at both conventional and upscale discounters, and in the South and North Central. Dan River-brand domestics was also ranked third at Ames/Zayre after Cannon and St. Mary's.

Burlington lost ground in the rankings, due mostly to upscale discounters. Target managers didn't mention Burlington as a top performer at all this year.

J.P. Stevens' drop from second to third place, also was due to a large decline at upscale discounters including Target. The drop could be a result of smaller labels making inroads into the mass market. One example of this is Dundee Mills, 14th on the list. This was the first year that Dundee was mentioned as a top performing brand in domestics.

At Target, Cannon strengthened its hold as the No. 1 brand in domestics, followed by Pepperell, which increased slightly, St. Mary's and J.P. Stevens.

Ames/Zayre was the only other discounter to provide Cannon with a strengthened position on the survey.

Nearly half the Ames/Zayre managers surveyed named Cannon as a top performer compared to slightly more than 40 percent last year. St. Mary's was second with one-fifth the manager responses.

St. Mary's performance at Ames/Zayre declined by half on the current survey. This is probably due to the Ames/Zayre merger and the alteration of product lines.

Wal-Mart gave Cannon its strongest showing. Seven out of 10 managers named Cannon as a top performer, down from eight of 10 last year. The top four rankings mirrored the overall list. This year, however, St. Mary's and Springs recorded mention increases, whereas Pepperell and J.P. Stevens recorded declines.

At K mart, Cannon lost three percentage points but held firm on to its No. 1 ranking. J.P. Stevens was second, followed by Pepperell and Springs.

Cannon was the hands-down leader in all four regions with the closest second place finish recorded in the Northeast.

In the Northeast, Pepperell lagged by just 15 percentage points behind Cannon. And St. Mary's was only slightly behind that.

Cannon's strongest showing in the regions was in the South where two-thirds of all respondents named Cannon as a top performer. St. Mary's was second, with twice as many mentions this year as last. Pepperell was named third.

In the North Central, the No. 2 finisher behind Cannon—which dropped a little from 1988—was Stevens.

In the West, Pepperell was named second—with more mentions this year than last—followed by Springs and Stevens.

Lady Pepperell Suffolk
and Cannon Ecstasy
Stripe towels
4.99
3.99
1.99

The top 10 list of best performing brands in domestics includes leaders Cannon and Pepperell. (DSN photo)

Rubbermaid Stretches Lead in Housewares

Nationwide DSN Report

For the sixth straight year, Rubbermaid topped *DSN's* Top Brands list in the housewares category.

This year, Rubbermaid strengthened its hold on the No. 1 spot and widened its lead over second place Corelle, which lost some ground on the current survey.

More than half the store managers surveyed named Rubbermaid as their best performing brand in the housewares department, up 20 percentage points from last year's Top Brands survey.

Rubbermaid also scored big gains among conventional and upscale discounters.

In fact, Rubbermaid's hold on the No. 1 spot included outlet type, region and specific chain. Rubbermaid recorded substantial gains in most of these areas.

The largest gain for Rubbermaid was recorded by Wal-Mart store managers. More than eight out of 10 Wal-Mart managers named the Ohio-based plastics manufacturer as a best performing brand in the housewares category, up from fewer than four in 10 a year ago.

Half of K mart's managers named Rubbermaid as a best performing brand, up from one in 10 on last year's survey; Ames/Zayre managers named Rubbermaid two-thirds of the time compared to fewer than half of them in the previous survey; and four of 10 Target managers named Rubbermaid as a top performer this year, up from one-fifth a year ago.

Perhaps Rubbermaid's popularity is due to the number and variety of products offered by the manufacturer. Many of Rubbermaid's items cross-merchandise lines and are sold throughout the store including housewares, hardware, automotives and stationery departments. This gives the label an ubiquitous presence in the store.

Exactly what characteristics constitute a best performer in housewares is due largely to product performance, advertising and price, in that order, according to manager responses.

Reasons for Success

Advertising, product performance and brand recognition are the reasons cited for Rubbermaid's success, managers said.

Corelle, a brand of the Corning, N.Y.-based company that also manufacturers cookware under the Corning and Visions labels, held a firm grasp on the second-place spot, but the latter two labels had a weakened hold on the third- and fourth-place positions on this year's list in the housewares category.

However, when all three Corning Inc. labels are added together, three out of 10 store managers named Corning products as best performing brands. These results are substantially less than last year when the combined responses for the three Corning brands (45 percent) put it ahead of Rubbermaid.

Housewares: Top Brands Vary by Type of Outlet

Brand	All Discounters		Conventional Discounters		Upscale Discounters	
	1989	1988	1989	1988	1989	1988
Rubbermaid	54%	34%	56%	34%	41%	35%
Corelle	15	22	16	22	12	19
Corning	10	11	9	8	10	22
Visions	9	12	9	11	5	18
Black & Decker	9	10	7	8	18	18
Ekco	6	6	7	6	3	6
Silverstone	5	5	5	5	3	7
Tucker	5	—	6	—	—	—
General Electric	4	—	3	—	13	—
Proctor-Silex	3	6	4	7	1	2

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Home Furnishings
Bedding Shop

According to store managers, exactly what characteristics constitute a best performer in housewares is due largely to product performance, advertising and price, in that order. (DSN photos)

The Corelle label was the main cause of the decline for the Corning Co. on *DSN's* Top Brands list this year.

The dinnerware label lost ground among all discounters and at conventional and upscale discounters, and among operators in the Northeast, South and North Central.

In addition, Corning and Visions labels lost ground at upscale discounters.

But Corning increased its position among discounters in the Northeast, South and West, and Visions was mentioned more often as a top performer this year by store managers in all four regions.

Among the chains—K mart, Wal-Mart, Ames/-Zayre and Target—Corning Inc. products received fewer mentions as best performing brands on the current survey.

Only Target store managers said Corelle was a best performing brand more often this year than last year. K mart store managers gave the nod to Corning-brand products in higher numbers this year than last; and Wal-Mart store managers said Visions cookware was a best performing brand in greater numbers in the current survey than a year ago.

The entire Top Brands list was composed of eight of last year's top 10 brands. Regal cookware, No. 10 on the 1988 survey, this year fell to 23rd place in a three-way tie with Mirro cookware/bakeware and Hoover vacuum cleaners.

Revere-brand cookware and bakeware, No. 9 last year, fell to 12th place this time.

Regal and Revere were replaced on the top 10 housewares brands list this year by Tucker, a plastics manufacturer and competitor to Rubbermaid, and GE.

The current survey marks the first time Tucker appeared on the Top Brands list. Its presence, however, did not affect Rubbermaid's position.

Interestingly, General Electric reappeared on the Top Brands list even though it does not manufacturer housewares products. In fact, several years ago GE sold its small electrics business—irons, automatic drip coffee pots, toasters, etc.—to Black & Decker, vacating the business entirely.

Housewares: How Industry's Top 5 Fare at Chains

Brand	K mart	Wal-Mart	Ames/Zayre	Target
Rubbermaid	50%	82%	64%	42%
Corelle	23	13	21	19
Corning	8	11	9	6
Visions	7	11	11	8
Black & Decker	5	8	9	14

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

One explanation for GE's appearance on the list may be linked to microwave ovens. Discounters selling microwaves generally display the ovens in housewares.

Black & Decker tied with Visions for the No. 4 spot on the Top 10 housewares list followed by Ekco, makers of kitchen gadgets, in sixth, Silverstone and Tucker in seventh, GE in ninth and Proctor-Silex in 10th.

It is important to note that Silverstone is not a housewares brand but a non-stick coating on cookware.

This year, half of the top 10 brands in housewares received fewer mentions by store managers as best performing brands. Rubbermaid, as mentioned before, was an exception. But so were Ekco, Silverstone and, for the most part, Black & Decker, which stayed even with last year's responses.

Four Major Chains

At each of the four major discount chains the No. 1 and No. 2 best performing brands in housewares was Rubbermaid and Corelle, but the No. 3 brand varied dramatically among the retailers.

The No. 3 housewares brand at K mart was Silverstone followed by Corning, and Foley bakeware.

At Wal-Mart, the third place spot was tied among Corning, Visions and Silverstone.

Ames/Zayre store managers gave the third place spot to Visions cookware. There were no clear results after that.

Target managers were also unclear as to what housewares brand held firmly onto the third place spot.

Housewares: Top Brands' Performance by Region

Brand	Northeast	South	North Central	West
Rubbermaid	42%	59%	53%	53%
Corelle	12	11	17	25
Corning	3	10	15	2
Visions	6	9	9	7
Black & Decker	20	8	4	6
Ekco	—	5	11	6
Silverstone	2	3	8	7
Tucker	2	6	4	5
General Electric	12	3	4	3
Proctor—Silex	8	3	4	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Emerson Stays No. 1 on Managers' Hit Parade

Nationwide DSN Report

For the third consecutive year, Emerson emerged as the top ranked brand in consumer electronics, according to responses to *DSN's* Top Brands Survey.

Emerson's hold on the No. 1 spot was weakened, however.

Second-place General Electric edged up a little, closing to within four percentage points of Emerson. Last year, eight percentage points separated the top two brands.

Until three years ago, GE was the top ranked brand in the CE among discount store managers.

Over the past few years, GE's grip has weakened as Emerson gained momentum.

Overall, most CE labels received slightly fewer responses as top performers this year than last, a result of a growing category and introduction of more brands.

This year, 32 CE labels were mentioned as top performing brands, and 10 percent of the respondents named a wide assortment of other labels that became the "other" category. If "other" were merged into the Top Brands list, it would tie Magnavox as the No. 7 brand.

Fierce competition among the brands is likely to shake up the category in upcoming years, especially as the home office category heats up and thrusts office machine brands into the forefront of fast-turning, higher-margin products.

New product introductions will also add fuel to the competition.

By the end of next year RCA will be in the audio business, the company just announced.

Currently, CE sales at discount stores are driven by TV's, VCR's, radios and telephones, etc.

Leading the list again this year is Emerson, due, in large part, to the brand's standing at Wal-Mart.

Store managers for the Bentonville, Ark.-based discounter named Emerson as the top performing brand nearly five times as often as the No. 2 brand—Panasonic.

In fact, three-fourths of all Wal-Mart managers surveyed said Emerson was their top performing brand in the CE department. Panasonic and RCA were tied for second, followed closely by GE and Sony. Last year, RCA was the clear No. 2 finisher at Wal-Mart.

After Wal-Mart, Emerson's best performance was at Ames/Zayre. Four out of 10 store managers therenamed Emerson as a top performing brand, down substantially from last year when more than half the managers named Emerson as a top performer in CE. After Emerson, GE and Soundesign were tied for second place, and Panasonic and GoldStar were tied for fourth place.

Target store managers named Emerson slightly less often than Ames/Zayre managers. After Emerson, Target managers cited GE, Sony and Panasonic as top performers.

Sharp Is Tops at K mart

K mart managers gave Emerson the fewest mentions as a top performing brand.

In fact, at K mart, the top performing CE label was Sharp, according to survey results. This is probably due to Sharp's technological advancements, which have translated into improved quality in televisions, VCR's, camcorders, projection TVs, plus its entry into home office. In addition, in January, Sharp will be introducing a full-line of telephones including cordless and business models.

Three out of 10 K mart managers named Sharp products as best performers, compared with one-quarter of the managers who named GE, which came in second.

Last year, GE-brand CE products were ranked as the top performer at K mart.

After Emerson, K mart managers said the top performing brands in CE were General Electric, RCA, Nintendo and GoldStar.

In all, Emerson was named the top performing brand in the CE department by more than one-fourth of the surveyed managers, down slightly from a year ago.

In fact, Emerson's standing as the No. 1 performer in CE declined in almost every area, particularly among upscale discounters, in the South, and at Ames/Zayre stores.

Emerson is still the No. 1 CE label at Ames/Zayre, though its edge was diminished somewhat. GE, still in second place at Ames/Zayre, rose 11 percentage points from the 1988 survey.

Emerson's best showing this year was at Target. Four out of 10 Target managers named Emerson as a top performer, compared with one-fourth a year ago.

Because of Emerson's increased popularity among Target store managers, GE became the No. 2 CE label at Target.

Sony, which enhanced its standing on the current survey, was named as a best performer by Target store managers more often than at any other discounter.

One-fourth of all Target managers surveyed said Sony was a best performing brand.

Sony's rise in the discount industry is attributed to greater shipments to discount store chains and the company's well-known name.

After Emerson and GE in the one and two positions in the Top Brands Survey, the list is as follows: Panasonic, Sony and Sharp in a three-way tie for third; RCA, sixth; Magnavox, seventh; GoldStar, eighth; Nintendo, ninth; and Soundesign, 10th.

This year's top 10 CE list contains the same labels as last year's, just in a different order.

GoldStar, the 1988 No. 3 finisher, fell to eighth this year, probably to due to the price competitive nature of the business.

Panasonic's three-way tie with Sony and Sharp is probably due to the label's increased presence in discount stores.

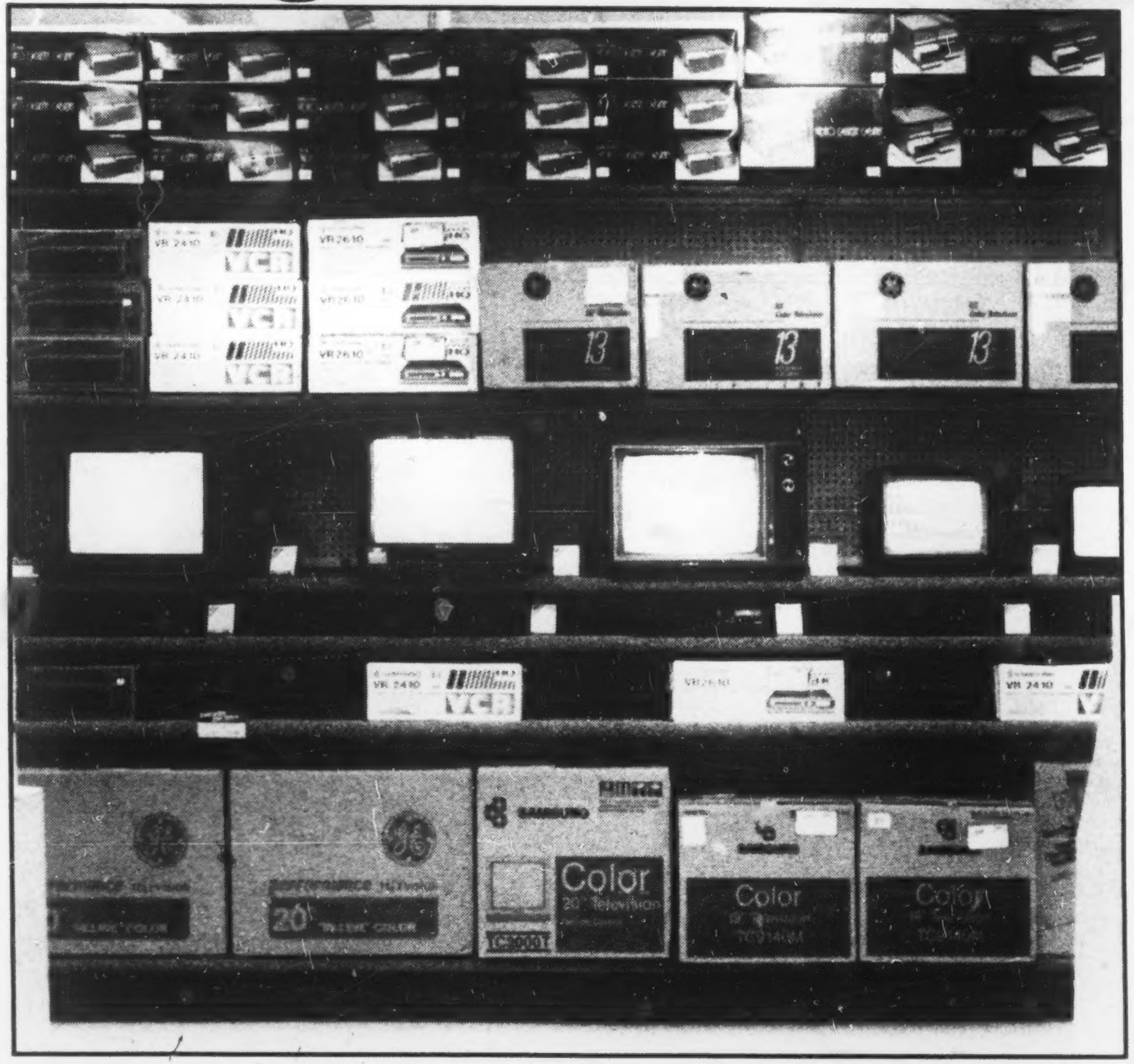
Nintendo, which burst onto the Top Brands list last year in a tie for sixth position with Sony, fell back to ninth this year, probably due to shortages of some of its popular games and diminished supplies of needed microchips.

Becoming a popular CE label is largely a function of advertising, according to store managers. Second to advertising is brand recognition and then product performance. Price is fourth.

However, buyers report that price is the third most important factor in helping customers decide upon purchasing a product by Emerson—the highest position for price in the survey.

When store managers were asked to comment on the attributes of Sony products, nine out of 10 said product performance was the the main reason the product is so successful at retail.

And Sony was named as the CE brand store managers most want to have in their CE departments.



Resulting from the introduction of new brands and overall growth in the CE category, top performers such as General Electric received fewer mentions in this year's survey as compared with last year's results. (DSN photo)

Consumer Electronics
How Industry's Top 5 Fare at Chains

Brand	K mart	Wal-Mart	Ames/Zayre	Target
Emerson	15%	74%	41%	39%
GE	27	16	32	33
Panasonic	13	18	18	17
Sony	8	13	7	25
Sharp	30	5	—	8

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Consumer Electronics
Top Brands' Performance by Region

Brand	Northeast	South	North Central	West
Emerson	23%	34%	24%	19%
GE	22	21	23	24
Panasonic	15	10	16	15
Sony	17	11	16	8
Sharp	27	6	12	16
RCA	8	8	15	13
Magnavox	9	9	15	3
GoldStar	10	8	10	10
Nintendo	8	8	7	9
Soundesign	8	7	9	2

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Consumer Electronics
Top Brands Vary by Type of Outlet

Brand	All Discounters		Conventional Discounters		Upscale Discounters	
	1989	1988	1989	1988	1989	1988
Emerson	27%	30%	29%	31%	15%	24%
General Electric	23	22	22	24	27	13
Panasonic	13	14	13	13	13	20
Sony	13	12	10	9	27	28
Sharp	13	9	11	8	25	28
RCA	11	16	10	16	15	12
Magnavox	10	8	10	10	7	17
GoldStar	9	16	9	17	8	11
Nintendo	8	12	9	13	5	7
Soundesign	7	8	8	10	—	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

New Brands Pop Up in Fragmented Market

Personal Care Products
Top Brands Vary by Type of Outlet

Brand	All Discounters		Conventional Discounters		Upscale Discounters	
	1989	1988	1989	1988	1989	1988
Conair	46%	48%	44%	47%	55%	54%
Clairol	16	18	14	15	24	33
Vidal Sassoon	15	14	13	10	29	30
Windmere	14	15	16	16	2	14
Remington	13	10	12	10	15	8
Norelco	12	12	12	13	10	10
Black & Decker	9	7	10	8	2	3
General Electric	7	9	8	10	5	5
Jerri Redding	5	2	6	3	—	—
Epilady	3	—	1	—	11	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Conair maintained its No. 1 place, receiving more mentions than any other brand. Clairol comes in second place, strengthened at K mart, where 25 percent of the surveyed managers rate it a top performer. (DSN photo)

Nationwide DSN Report

New companies, line extensions and imports have eroded the positions of some of the nation's top names in personal care appliances, according to results of *DSN's* 1989 Top Brands Survey.

For example, Epilady, a product of Epi Systems, which only became available to the mass market last year, became the No. 10 brand on the Top Brands list in personal care appliances. Epilady wasn't even mentioned as a top performer last year.

Jerri Redding, a growing concern in the industry, rose from 10th last year to ninth on the current survey.

And, indicative of this fragmented market, the "other" category received enough mentions to put it in eighth position on the survey list. No specific labels were mentioned in this category.

In addition, Sunbeam, a major name in the business for years, fell from ninth last year to 12th on the current survey.

The net effect of these results have helped to erode the prominence of such top-ranked labels as Conair and Clairol.

Conair, the No. 1 brand in personal care appliances—with no challengers in sight—has seen its position slowly weakened over the past few years.

Conair Remains First

On the 1989 survey, Conair maintains its strong first place showing, garnering more mentions as a top performing brand than any other product, but with a mention rate of two percentage points less than its 1988 total. This dip adds to Conair's slide in ratings over the past few years.

This year, the industry giant received responses from store managers that were 10 percentage points below its 1987 results.

Clairol, in the No. 2 spot, also had two percentage points shaved off its 1989 totals.

In fact, of the nine personal care appliance labels returning to the Top 10 list this year, four had diminished response ratings, and one had the same numbers as last year.

Fewer than half the store managers surveyed said Conair was a best performing brand, down from half the year before. In 1987, six of 10 store managers said Conair was a best performing brand in personal care electrics.

Conair lost ground at conventional discounters, in the Southern and Western regions and at K mart, Ames/Zayre and Target.

However, Conair did strengthen its position slightly at upscale discounters—even though it dropped a bit at Target—in the Northeast and North Central, and at Wal-Mart.

Clairol received fewer responses from managers naming their top performing brands in this category, particularly at upscale discounters and especially at Target.

One-fourth of the Target managers interviewed for the survey said Clairol was a top performing brand compared to four in 10 a year ago.

Clairol's position as a top performer was strengthened at K mart, however, where 25 percent of the surveyed managers named the hair-care company as a best performer, up nine percentage points from 1988.

Ames/Zayre also gave Clairol more responses as a best performer this year.

Wal-Mart managers mentioned Clairol as a top performer slightly less often this year. Conair was named as a top performer by half the managers surveyed, followed by Vidal Sassoon, Windmere and Remington, all tied for second, and Clairol in fifth. Last year, Clairol was ranked second behind Conair.

Clearly, Windmere's strength in the survey is due to its stake at Wal-Mart where it was named as a top performing brand by nearly one-fifth of the managers.

Overall, Conair and Clairol were No. 1 and No. 2 on the Top Brands list followed in order by Vidal Sassoon, Windmere, Remington, Norelco, Black & Decker, General Electric, Jerri Redding and Epilady.

The line-up, although composed of nine of the same labels, changed substantially from 1988.

Vidal Sassoon and Windmere switched their third and fourth positions; Remington and Norelco made the exchange for fifth and sixth; and Black & Decker did a shuffle for seventh and eighth with GE.

Each position change amounted to a slight variation in the numbers of mentions, however.

And although GE slipped from seventh to eighth position on the top brands survey, GE does not manufacture any product in the personal care electrics category.

GE sold that part of its business, along with small electric housewares, to Black & Decker several years ago.

Apparently, the GE name is so entrenched in the marketplace after years of service, managers forget they are not participants anymore.

Remington's Rise

Remington's rise in the rankings on the current survey is probably due to its introduction of a depilatory product similar to the Epilady. However, Remington is a long-standing label in the personal care appliances category with a wide range of products.

Remington products performed best in the South and Midwest, according to survey results. Store managers in these two regions said Remington was a best performing brand more often on the current survey than they did a year ago.

Epilady, a California-based company, received its strongest showing in the Northeast and North Central and got no responses from Western-based discounters.

Epilady's rising importance within the mass market is clearly due to advertising and brand recognition, the top two factors in becoming a top brand in this area, store managers reported.

When store managers were asked what makes a product a top performing brand in personal care appliances, nearly eight out of 10 managers said advertising, particularly vendor advertising, followed by brand recognition, product performance and price.

Advertising was cited as the No. 1 reason for Remington's success as a top performer, according to survey responses.

The No. 1 reason for Conair's success, according to store managers, was brand recognition, with advertising in second and product performance third.

Personal Care Appliances
Top Brands' Performance by Region

Brand	Northeast	South	North Central	West
Conair	58%	43%	43%	48%
Clairol	13	15	18	17
Vidal Sassoon	24	13	17	10
Windmere	10	17	14	9
Remington	12	12	17	9
Norelco	15	9	16	8
Black & Decker	2	9	9	14
General Electric	8	7	6	9
Jerri Redding	5	3	4	15
Epilady	6	1	5	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Personal Care Appliances
How Industry's Top 5 Fare at Chains

Brand	K mart	Wal-Mart	Ames/Zayre	Target
Conair	68%	50%	41%	44%
Clairol	25	11	21	25
Vidal Sassoon	—	18	32	42
Windmere	2	18	2	6
Remington	13	18	21	14

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Kodak is Still Picture-Perfect (and No.1)

Photo, Camera: Top Brands Vary by Type of Outlet

Brand	All Discounters		Conventional Discounters		Upscale Discounters	
	1989	1988	1989	1988	1989	1988
Kodak	79%	80%	83%	81%	60%	75%
Polaroid	24	34	27	36	11	25
Canon	17	19	15	14	29	41
Minolta	13	15	11	13	24	26
Fuji	5	9	5	10	4	7
Pentax	3	2	3	2	4	2
Nikon	2	2	2	1	4	6
Emerson	2	—	2	—	3	—
Duracell	2	3	2	4	—	1
Scotch/3M	1	5	2	5	1	6

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Kodak and Polaroid were most often mentioned as top performers in the photo dept. (DSN photo)

Nationwide DSN Report

The Top Brands list in the photo department was again led by Kodak, Polaroid, Canon, Minolta and Fuji, but with a greatly reduced mention rate, according to results of *DSN's* 1989 Top Brands Survey.

The decline in the number of mentions continued a trend established a few years ago.

Apparently, the gradual decline of the photo and camera category at discount chains continued this year, as operators deemphasized photo products due to disappointing productivity. Additionally, photo takes a level of expertise not generally found among discount employees, so the chains have lost large-ticket customers to specialty stores.

Also, discounters are less inclined to maintain upper-end merchandise at lower-than-preferred margins.

Hope is on the horizon, however. Companies such as Wal-Mart, Ames and K mart are attempting to turn things around by upgrading their respective photo and camera departments to broaden the appeal of the stores to non-traditional discount store customers. All have introduced serviced departments—manned by a clerk at all times—in recent prototypes, and are attempting to sell more upscale merchandise.

The jury is still out on the success of these remerchandising programs.

In the meantime, discounters are maintaining photo and camera departments with most all of the industry's top brands.

Leading the way for the sixth consecutive year is Kodak, the most popular name in photographic equipment and one of the most dominant brands in any discount department.

Kodak, which recorded a one percentage point decline in store manager mentions, actually widened its lead over No. 2 Polaroid, which has undertaken a difficult transition from instant photography to faster growing 35mm technology.

In fact, nearly eight out of 10 store managers surveyed said Kodak is their best performing brand in photographic equipment, compared to a little more than two in 10 for Polaroid.

Despite Kodak's firm hold on the top spot, the Rochester, N.Y.-based photographic giant recorded substantial declines in manager mentions at upscale discounters, including Target, at Wal-Mart, and among Western-based discounters. Small declines for Kodak were recorded in the Northeast, South and North Central. But mention increases were charted for Kodak at K mart and Ames/-Zayre.

At K mart, almost nine of 10 store managers named Kodak as a top performing brand, up from eight of 10 in 1988.

Nearly all the Ames/Zayre managers surveyed said Kodak was a top performer, up from nine of 10 last year.

After Kodak, the only photo brands to record mention increases of any kind included Fuji, Pentax, Nikon and Canon.

No. 2 Polaroid recorded mention declines in every grouping studied (by chain type and region of the country), according to results of the current survey. This was probably due to consumer preference for lower cost instamatics and 35mm cameras, both of which use film that is cheaper by the roll to purchase and develop.

The largest decline was recorded by Fuji, which received approximately half the number of mentions this year than last. However, Fuji did perform better this year in the Northeast, where it edged up one percentage point.

Fuji's decline might be related to the company's high-end image, which could be in conflict with the needs of the average discount shopper. A company spokesman noted, however, that just the opposite might be true. Due to the purging of the brand by Wal-Mart, among others, more sophisticated photographers might be shunning discounters as film sources, resulting in a self-fulfilling prophecy.

"We're still very strong among consumers," he remarked. "No mass market outlet can maximize sales, particularly among upscale consumers, without carrying both Kodak and Fuji. Film is less thanever a commodity purchase, and advanced amateur photographers will go where the selection is."

Overall, the Top 10 brands list is composed of all but one of last year's labels. And the upper half of the list—Kodak, Polaroid, Canon, Minolta and Fuji—is the same as 1988.

The bottom half of the Top 10 list experienced a lot of change, however.

New to the list this year is Emerson. Mainly known as a consumer electronics brand, the company's selection by discount store managers is more than a bit of a surprise, particularly since it came from nowhere to tie perennially ranked brands such as Nikon and Duracell for seventh.

Keystone, No. 10 last year, fell to 15th on the current survey, probably due to the turmoil at that company last year and increased pressure from low-end imports.

In 10th position this year is Scotch/3M, down from sixth.

Pentax and Nikon, which were tied for eighth on the 1988 survey, made the biggest advance on the list this year. Pentax took the lead of the two labels, however.

Pentax rose two spots on the current survey to sixth, largely to mention increases at conventional and upscale discounters and among operators in the Midwest and West.

Nikon, up one spot to seventh, owes its rise to an increase in the North Central and among conventional discounters. Upscalers, however, mentioned Nikon as a top performing brand less often this year than in 1988.

To be a top performing brand at discount stores managers said the photo label must perform well, be a recognizable name and be supported by vendor advertising.

Nowhere was product performance more important than among managers who named Polaroid as a top performing brand. All the managers who named Polaroid as a top performer attribute the brand's success to product performance.

In addition to being the overall top brand in the photographic category, Kodak is the No. 1 label in all four regions and at all four discount store chains.

Polaroid's best showing was at Ames/Zayre. Half the managers said Polaroid was a top performing brand, second to Kodak, which was named by almost all the surveyed managers.

Target managers gave Kodak its weakest No. 1 showing, Ames/Zayre its strongest.

After Kodak, Target managers said Canon was the No. 2 brand followed by Minolta and Polaroid.

K mart managers put Canon in the No. 2 position followed by Polaroid, Minolta and Fuji.

At Wal-Mart, Polaroid is second; Canon, third; and Scotch/3M is the No. 4 brand.

Photo, Camera: How Industry's Top 5 Fare at Chains

Brand	K mart	Wal-Mart	Ames/Zayre	Target
Kodak	85%	82%	96%	69%
Polaroid	28	24	50	17
Canon	35	16	9	42
Minolta	18	5	—	33
Fuji	8	—	—	3

Source: Discount Store News/*Leo J. Shapiro and Assoc.*

Photo, Camera: Top Brands' Performance by Region

Brand	Northeast	South	North Central	West
Kodak	85%	84%	78%	65%
Polaroid	22	30	21	18
Canon	18	12	22	20
Minolta	16	6	16	18
Fuji	7	1	9	3
Pentax	—	—	5	7
Nikon	2	1	4	2
Emerson	—	4	2	—
Duracell	2	1	1	2
Scotch/3M	2	3	—	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

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Tide Retains Top Spot in Household Cleaners

Nationwide DSN Report

Tide laundry detergent once again topped the list as he leading household cleaner nd chemical brand on *DSN*'s Top Brands Survey, although s lead narrowed from both he 1988 and 1987 surveys.

Moreover, Tide's weakened osition placed it at the forefront of a category in which here was high turnover mong the managers' choices f top performing brands.

Only five of last year's top rands made the top 10 ranking his year, and only one of those ve brands, Clorox, moved up the rankings this year.

Clorox was the big gainer in he current survey, rising rom third place to second lace on the store managers' t of top performing brands the household cleaners and hemicals survey. The popular laundry bleach was mentioned as a top performing rand by nearly one-third of he store managers questioned. Last year, one-fifth of he managers surveyed mentioned Clorox as a top performing brand.

Clorox also was the No. 2 ousehold cleaner at K mart, Wal-Mart, Ames/Zayre and Target, recording substantial ains from last year.

Windex, last year's second lace finisher among all surveyed store managers, fell to ourth place on the current urvey. Fewer than one-sixth f store managers surveyed entioned Windex as a top erforming brand, down from ne-fifth of the managers in he 1988 survey.

Windex was third among conventional discounters and fourth at upscale discounters.

Top 10 Performers

After Tide and Clorox, the op 10 list of best performing brands in the household cleaners and chemicals category haped up as follows: Procter & Gamble, Windex, Dow, Lever Brothers, Johnson, Formula 409, Lysol and Dawn.

This was the first time that store managers named Procter & Gamble and Lever Brothers as brands. They are companies that make such brands as Tide and Wisk. Neither company offers household cleaners under their company name.

The mentioning of these two manufacturing giants may also indicate the dominance of their products at the retail level, leaving store managers with the impression that any product produced by those companies is a best performing brand.

Procter & Gamble placed two brands in the top 10 list, Tide and Dawn, the No. 10 finisher. Lever Brothers best showing was with Wisk, the No. 13 finisher.

Aside from Tide and Clorox, the only brands to survive last year's survey were Windex, which fell from second to third position; Lysol, which fell from sixth to ninth; and Formula 409, which rose from 10th to seventh.

Tide, while maintaining the lead position in this category, was mentioned as a top performing brand by four in 10 store managers, which is down from a response rate of nearly 50 percent on the 1988 survey. Tide retained its No. 1 spot among conventional and upscale discounters, but again, its lead weakened.

The five labels that dropped off the current top brands list were Fantastic, which tied with Downy and Cheer for the 16th spot; Comet, which fell to 15th; and Purex, down two spots to 11.

Fewer Brands Dominated

This year, 39 brands were mentioned as top performing brands in the household cleaners and chemicals category, about the same as last year. However, the responses by store managers seem to indicate that fewer brands dominated. And the few dominant brands are losing their stranglehold on the category.

Tide is a case in point. Tide's only advances were recorded among discounters in the western United States and at Target stores, according to store manager responses. Last year, Tide strengthened its lead in most categories including outlet type, specific chain, region of the country and store size.

This year, Tide recorded a three percentage point increase in responses as a top performing brand in the West, to four in 10 managers. And Target store managers named Tide as a top performing brand nearly three-quarters of the time compared to a little more than six in 10 last year.

Tide's position at K mart, Wal-Mart and Ames/Zayre declined in the current survey. In fact, Tide was mentioned as the top performing chemicals brand at all three retailers in the 1988 survey but not this year.

In the current survey, K mart store managers mentioned Tide as often as Procter & Gamble. Windex was a close second at nearly one-fourth of the responses.

The other three retailers had Tide in the top spot, although in a diminished position—except at Target. Clorox finished No. 2 to Tide.

Clorox was the overall second-place finisher in the survey, an enhanced position for the bleach over the 1988 brands study. At upscale discounters, however, Clorox received the same number of responses on this survey as it did the year before, one in three.

In the Northeast region, Clorox was the No. 1 household cleaner, with one-third of the responses, followed by Tide, Windex and Procter & Gamble.

Clorox's only decline on the current survey was in the South. Last year, one-third of the store managers surveyed mentioned Clorox as a top performing brand. This year, three in 10 mentioned Clorox. The popular bleach brand remained in the second position, however, right behind Tide.

In the North Central states, Windex placed second as a top performing brand behind Tide, with a greatly enhanced position. It was Windex's best showing. One-third of the store managers polled mentioned Windex as a top performing brand, up from less than 25 percent a year ago.

Western-based discount store managers gave Procter & Gamble, as a brand, the No. 3 spot, its best showing. Twenty-five percent of the store managers surveyed mentioned Procter & Gamble as a best performing brand, giving it second place.

Procter & Gamble also placed third on the top brands list at the individual chains, K mart, Wal-Mart, Ames/Zayre and Target, outmentioning Windex. And among K mart store managers, Procter & Gamble was mentioned more than Clorox, Windex and Dow.

Store managers appeared to be so pleased with the selection of brands in the household cleaners and chemicals department that fewer than 2 percent of them indicated the category needed more branded products.

In fact, only personal care and photo and camera received fewer responses from managers when they were asked if the category could be strengthened by adding another brand.

But a strong advertising campaign could probably change their minds.

Store managers reported that the success of their top brands is mostly associated with advertising, particularly by the manufacturer. Second to that is brand recognition, then company reputation and then price.

Household Cleaners
Top Brands Vary by Type of Outlet

Brand	All Discounters		Conventional Discounters		Upscale Discounters	
	1989	1988	1989	1988	1989	1988
Tide	41%	48%	40%	47%	44%	52%
Clorox	27	21	27	19	30	30
Procter & Gamble	17	—	17	—	17	—
Windex	16	21	18	20	11	24
Dow	9	—	10	—	6	—
Lever Brothers	7	—	7	—	8	—
Johnson	6	—	6	—	8	—
Formula 409	6	7	5	7	8	4
Lysol	6	11	6	11	4	11
Dawn	5	—	6	—	—	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Household Cleaners
How Industry's Top 5 Fare at Chains

Brand	K mart	Wal-Mart	Ames/Zayre	Target
Tide	25%	47%	57%	72%
Clorox	18	37	36	44
Procter & Gamble	25	24	16	19
Windex	23	5	7	8
Dow	17	8	7	11

Source: Discount Store News/*Leo J. Shapiro and Assoc.*

Household Cleaners
Top Brands' Performance by Region

Brand	Northeast	South	North Central	West
Tide	29%	38%	51%	40%
Clorox	31	30	27	17
Procter & Gamble	10	12	23	25
Windex	12	5	32	17
Dow	5	5	19	4
Lever Brothers	4	6	9	10
Johnson	3	6	9	3
Formula 409	5	5	3	16
Lysol	2	6	9	2
Dawn	4	7	4	4

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Cleaning supplies
Sale
1.99

The household cleaner category had a high turnover among the managers' choices of top performing brands. (DSN photo)

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Shampoos Wash Up on Top 10 Survey List

Nationwide DSN Report

The 63 brands that store managers named as top performers in the health & beauty aids category helped to undermine the long-standing dominance of Crest and Colgate as the No. 1 and No. 2 labels, according to results of *DSN's* 1989 Top Brands Survey.

The two toothpaste labels still held on to their top rankings, however.

Crest, the top ranked brand in the health & beauty aids category, controls the No. 1 spot with more than twice the number of mentions of second-place Colgate. The amount of mentions for each, however, declined by 11 percentage points from 1988.

Johnson & Johnson, the No. 3 brand on the survey list, switched places with Listerine, now ranked fourth.

New to the top 10 brands list this year are Procter & Gamble (maker of Crest, Scope and Ivory), in fifth; Suave in sixth; White Rain in eighth; and Ivory, 10th.

All make hair shampoos and conditioners.

Procter & Gamble produces no products under its corporate label.

Obviously, the strength of P&G transcends any particular brand on a retailer's shelf. Or, managers are so convinced that P&G products are top sellers that they just listed P&G in the generic sense.

In fact, if all the P&G products in the top 10 are added together, P&G received two-thirds of all mentions for top performing brands in the health & beauty aids category, substantially above its 1988 results.

Colgate's position would not have changed.

Furthermore, if all products under a corporate moniker were added together, Crest and Colgate would further enhance their standings on the 1989 Top Brands Survey.

P&G, Suave, White Rain and Ivory unseated Revlon, Right Guard, Aqua Net and Lever Brothers.

Currently, Revlon is 11th; Right Guard, 32nd; Aqua Net, 61st; and Lever Brothers, 62nd.

It is important to note that the "other" category received enough mentions to put it in a tie for fifth place with Procter and Gamble if P&G is taken separately as a brand.

Crest was the top ranked brand in H&BA. Procter & Gamble brands, taken together, totaled two-thirds of the responses.

Health & Beauty Aids
Top Brands Vary by Type of Outlet

Brand	All Discounters		Conventional Discounters		Upscale Discounters	
	1989	1988	1989	1988	1989	1988
Crest	39%	48%	41%	48%	29%	44%
Colgate	18	29	18	30	17	24
Johnson & Johnson	14	12	14	12	13	13
Listerine	13	18	14	18	7	13
Procter & Gamble	12	12	11	12	13	13
Suave	10	—	11	—	5	—
Clairol	7	6	9	5	1	13
White Rain	7	—	8	—	3	—
Scope	6	8	7	8	3	7
Ivory	6	—	7	—	3	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Health & Beauty Aids
Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Crest	27%	45%	40%	35%
Colgate	9	19	20	17
Johnson & Johnson	13	14	19	7
Listerine	12	19	11	3
Procter & Gamble	15	10	13	10
Suave	12	7	14	4
Clairol	7	6	7	12
White Rain	8	10	6	—
Scope	2	7	7	8
Ivory	3	4	9	9

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Health & Beauty Aids
How Industry's Top 5 Fare at Chains

Brand	K mart	Wal-Mart	Ames/Zayre	Target
Crest	33%	42%	36%	50%
Colgate	20	21	14	28
Johnson & Johnson	17	24	18	17
Listerine	5	26	16	6
Procter & Gamble	17	16	9	17

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Exactly what distinguished one product from the myriad of others available in this fast-turning, highly-consumable category is product performance, first; brand recognition, second; and vendor advertising, third; according to store managers.

When asked about specific products, managers said advertising was the No. 1 reason P&G and Colgate products do so well at retail.

Managers owe Crest's performance first to product performance, then to brand recognition and thirdly to advertising.

Crest, the top ranked product in the health & beauty aids category—when examined individually—lost ground at all discounters, conventional and upscalers, in the Northeast, North Central states and West, and at K mart, Wal-Mart and Ames/Zayre.

Only Target managers named Crest as a top performing brand more often this year than they did in 1988.

Half of Target's store managers named Crest as a top performer in the health & beauty aids category. Colgate was second followed by Johnson & Johnson and Procter & Gamble tied for third and Listerine in fifth place.

Although Target store managers named Crest more often this year as a top performing brand in the health & beauty aids category, upscale discounters in general did not.

Three in 10 managers at upscale discounter stores named Crest as a top performing brand, down from more than four in 10 a year ago.

Crest performed best at conventional discount stores, according to survey results.

Although fewer conventional discounters named Crest as a top performer this year than last, the popular toothpaste label lost only seven percentage points from the 1988 survey.

And despite the decline, Crest still held on to the No. 1 spot at the nation's top three discount chains.

Crest was No. 1 among K mart buyers, followed by Clairol, Colgate and Johnson & Johnson and Procter & Gamble, which were tied for fourth.

Top Performer

One-third of the surveyed K mart managers named Crest as a top performer, compared to half of them a year ago. Colgate remained in the No. 2 spot at K mart in a diminished capacity but recorded less of a decline at the chain than did Crest.

Wal-Mart buyers, too, named Crest as a top performing brand more often than any other product, but Colgate did not come in second as it did a year ago.

This year, the No. 2 ranked health & beauty aid product was Listerine, which rose in the rankings, followed by Johnson & Johnson and Colgate. Johnson & Johnson also strengthened its position at Wal-Mart. Procter & Gamble came in fifth.

Ames/Zayre managers had Crest and Johnson & Johnson in the one-two spots. For Johnson & Johnson, the No. 2 spot is an enhanced position from 1988. Listerine was third at Ames followed by Colgate and Procter & Gamble. Last year, Zayre store managers ranked Listerine substantially higher than they did this year.

The regional breakdowns gave Crest the top spot in all four areas and Colgate the No. 2 position in every region but the Northeast.

In fact, Colgate was sixth in the Northeast. After Crest—which declined by 14 percentage points from the 1988 survey—was Procter & Gamble in second followed by Johnson & Johnson in third. Listerine and Suave tied for fourth, then came Colgate.

Colgate's best second-place finish was recorded in the North Central states.

In the North Central states, Crest had twice the number of mentions than did Colgate. Still, Crest was down 16 percentage points in the Midwest this year compared to a decline of just seven percentage points for Colgate.

The closest third place finish was also in the North Central states.

Johnson & Johnson was only one percentage point behind Colgate in the North Central states followed by Suave, Procter & Gamble, Listerine, Ivory, Clairol and Scope in eighth and White Rain.

Greeting Cards Dethrone Writing Tools

Nationwide DSN Report

Aggressive advertising campaigns, merchandising programs and new line introductions helped thrust greeting card manufacturers to the forefront of the stationery department, according to results of the 1989 Top Brands Survey.

For the first time, four greeting cards labels appeared on the top 10 list of best performing brands in the stationery department, dethroning writing instruments as the major player.

Only Bic, Crayola and Papermate represented writing instruments this year, compared to five brands in 1988.

American Greetings, the only greeting card brand on last year's top list, was joined by Ambassador, Gibson Buzza and Hallmark this year.

Hallmark does not have card departments in the mass market. Instead, it maintains a presence through its mass market division, Ambassador.

American Greetings, last year No. 5 on the chart behind Papermate and Crayola, moved up to third place behind first-place Mead and second-place Bic. Its rise on the charts was accompanied by dramatic increases in every area surveyed: outlet type, region and specific retailer.

American Greetings was the only brand returning to the Top 10 list to record dramatic increases in every area.

Supporting American Greetings rise on the Top Brands Survey were large increases at conventional discounters, particularly K mart and Wal-Mart.

Managers at these two discounters didn't even mention American Greetings as a top performer on the 1988 survey. This year, however, one-fifth of all K mart managers and three of 10 Wal-Mart managers named American Greetings as a top performer.

Mead, the No. 1 brand, strengthened its spot on the current survey but not with the same increases recorded by American Greetings.

In fact, Mead, which widened its lead over second-place Bic on this year's Top Brands Survey, actually recorded some weakening of its position. Mead received fewer mentions as a top performer by discounters in the Northeast and South and by Wal-Mart and Target managers. Overall, this did not affect Mead's No. 1 standing.

Retailers in the Northeast lost a little enthusiasm for Mead paper this year, giving Bic writing instruments the No. 1 ranking, but that's unchanged from last year, too.

Mead did post gains in responses from all the surveyed store managers and among conventional discounters.

Nearly four of 10 upscale discounters named Mead as their best performing brand in the stationery department, the same as last year.

Overall, Mead's growth is

(Continued on page 147)

Stationery: Top Brands Vary by Type of Outlet

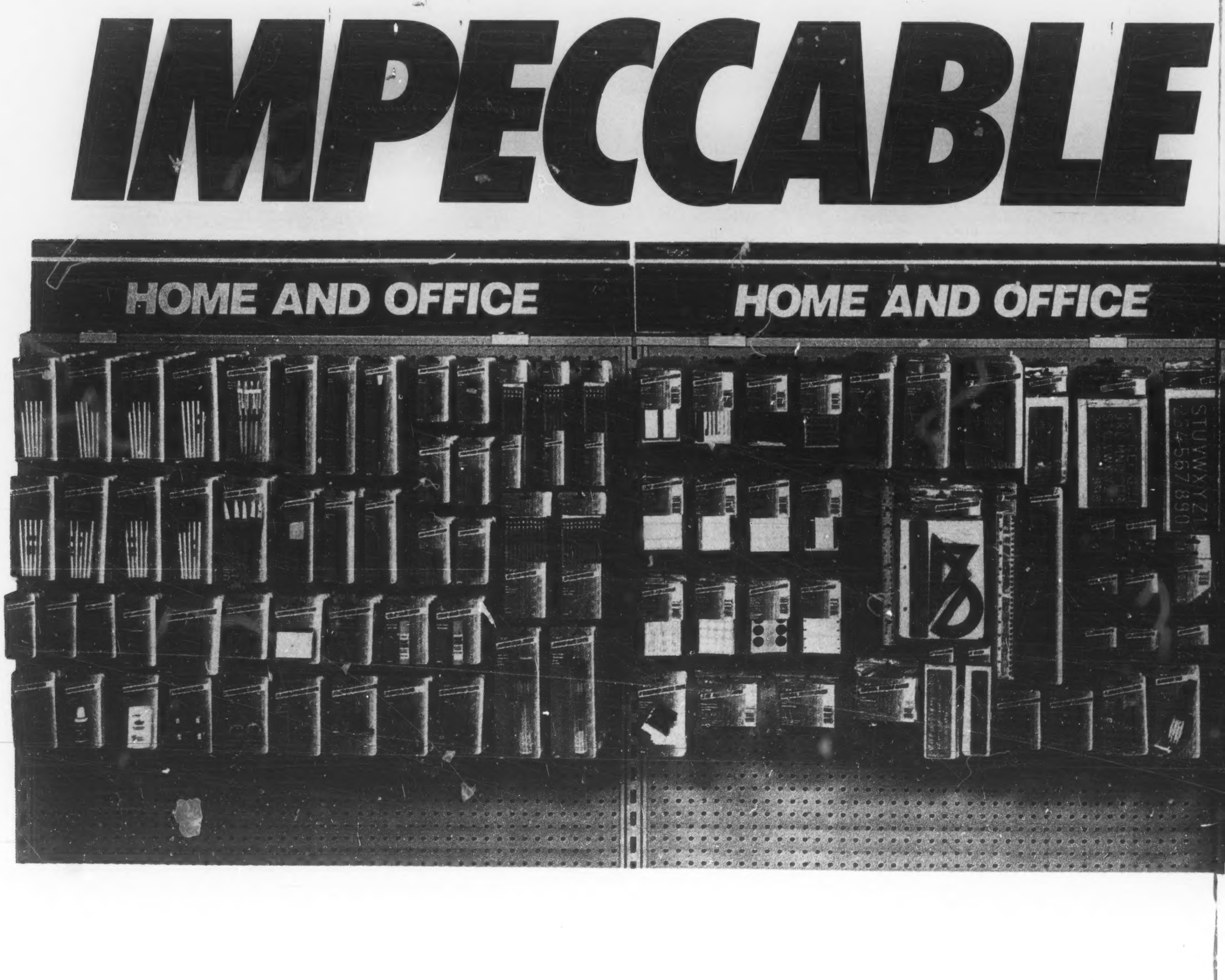
	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	**1989**	**1988**	**1989**	**1988**	**1989**	**1988**
Mead	46%	41%	47%	41%	37%	37%
Bic	27	31	27	30	29	35
American Greetings	17	4	17	4	16	6
Crayola	7	11	7	12	5	6
Papermate	5	14	6	13	4	19
Ambassador	4	—	4	—	6	—
Cambridge	4	—	4	—	1	—
Gibson Buzza	4	—	4	—	—	—
Hallmark	3	—	4	—	1	—
Stuart Hall	3	3	2	3	6	2

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Stationery: How Industry's Top 5 Fare at Chains

Brand	**K mart**	**Wal-Mart**	**Ames/Zayre**	**Target**
Mead	42%	45%	66%	58%
Bic	33	29	36	31
American Greetings	18	26	30	17
Crayola	13	11	—	8
Papermate	8	3	2	3

Source: Discount Store News/*Leo J. Shapiro & Assoc.*



Stationery: Top Brands' Performance by Region

Brand	Northeast	South	North Central	West
Mead	24%	39%	57%	61%
Bic	28	25	30	26
American Greetings	16	17	18	17
Crayola	5	8	8	2
Papermate	3	6	6	6
Ambassador	2	5	5	1
Cambridge	—	5	4	5
Gibson Buzza	3	2	3	9
Hallmark	3	2	6	3
Stuart Hall	6	3	3	—

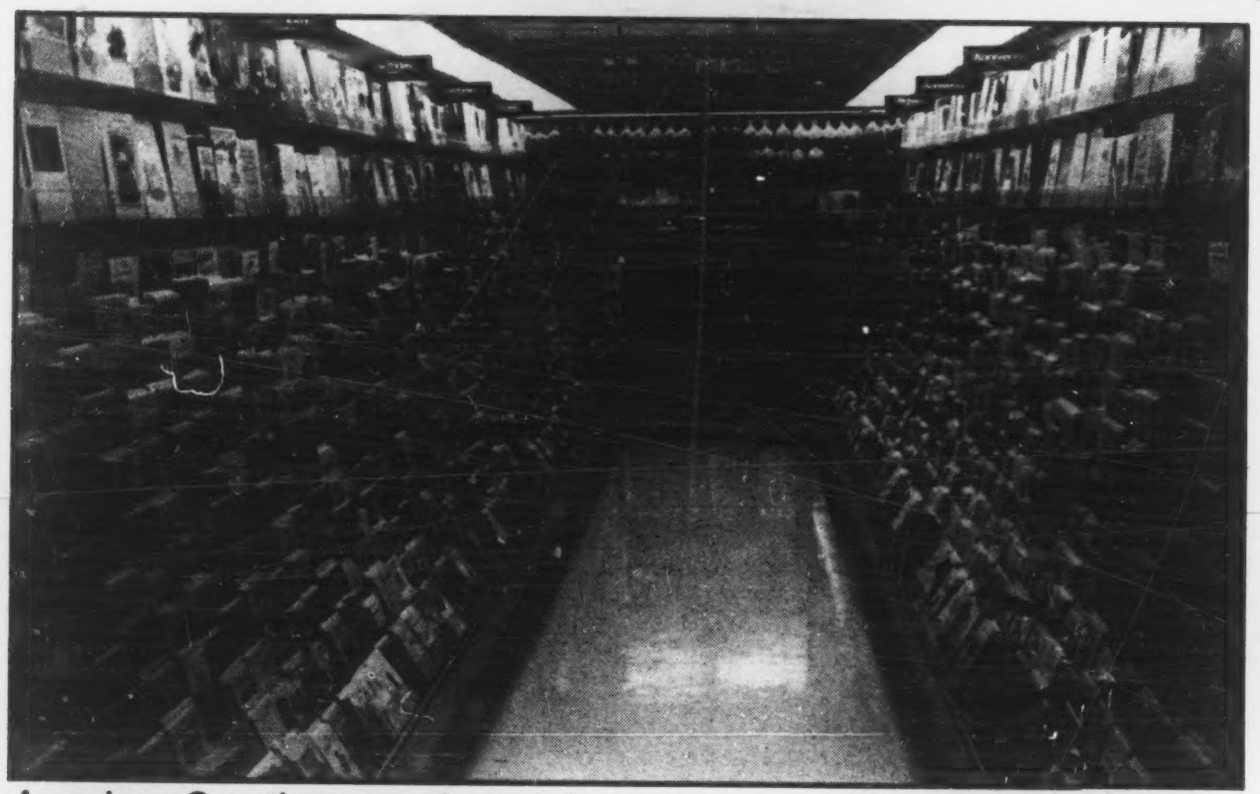
Source: Discount Store News/Leo J. Shapiro & Assoc.

Four Greeting Card Companies Make Top 10 for Current Year

(Continued from page 146)

due largely to an improved standing among conventional discounters, according to survey results.

Second-place Bic, which has a firm hold on the No. 2 spot, received fewer mentions as a top performing brand in the stationery department on the current survey. However, its grip on the second spot is unchallenged, as is Mead's for the top seat.



American Greetings was the only brand to return to the Top 10 list this year.

Third-place American Greetings is 10 percentage points behind Bic among all surveyed discounters and conventional discounters and 13 points behind upscale discounters.

Nearly half the store managers surveyed mentioned Mead as a top performing stationery brand, up from four in 10 mentions on last year's survey, and 19 percentage points ahead of Bic. Bic was mentioned by fewer than three in 10 managers as a top performer, down from a third of the managers a year ago.

Store managers reported that vendor advertising has a lot to do with helping to support a top performer, followed by brand recognition and product performance. But in the case of American Greetings, store managers said brand recognition was the No. 1 reason the greeting card company performed so well, followed by product performance and advertising.

The top 10 stationery list features six of last year's best performing brands.

Falling from the top 10 list this year were Hirlitz, Scripto, Scotch/3M and Parker. Returnees from last year's Top 10 rankings were Mead, Bic and American Greetings in the first three spots, followed by Crayola in fourth, the same as in 1988: Papermate, fifth, down from third last year; and Stuart Hall, 10th, down from its three-way tie for fifth last year.

On the current survey, fewer than one in 10 store managers named Crayola as a top performing brand in the stationery category down from one in 10 last year.

Papermate also declined in the number of mentions it received this year.

Stuart Hall dropped back three spaces from the 1988 survey but with the same number of responses. However, among upscale discounters, Stuart Hall was mentioned more often this year as a top performing brand.

New to the 1989 Top Brands Survey were Ambassador, in sixth place; Cambridge, seventh; Gibson Buzza, eighth; and Hallmark, ninth.

The new additions received fewer than one in 10 mentions by store managers as top performing brands. The stationery department is still led by the big three brands: Mead, Bic and American Greetings.

And if Cambridge, a division of Mead, is figured into Mead's results, the Dayton, Ohio-based stationery manufacturer increases its strength as the top performing brand in the stationery category.

Among the individual discounters, Mead was the top performing brand, increasing its position at K mart, Wal-Mart and Ames/Zayre. Target managers names Mead as a top performer slightly less often than they did a year ago.

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Want to peg some healthy profits? Turn to the Pegables line from the Mead One Source Force. With a full-line offering, high-impact graphics, minimized card sizes and convenient reusable packages for your customer, Mead's expanded peg line is something you can hang profits on … all year long!

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Wilson Evens 6-Year Battle with Coleman

Nationwide DSN Report

Wilson edged out Coleman for the No. 1 spot on *DSN's* 1989 Top Brands Survey, giving each label three wins on the 6-year-old report.

Last year, the two companies were virtually tied but Wilson edged out Coleman by tenths of a percent.

This year, Wilson pulled away with a five percentage point lead over second-place Coleman, which only slightly nosed out Spalding in the No. 3 spot.

Spalding, last year's No. 3 finisher, received more mentions this year as a top performing brand, closing the gap between it and Coleman and becoming more of a challenger for Wilson's top berth.

On the 1989 survey, one-third of all managers surveyed mentioned Wilson as a top performing brand in the sporting goods category, compared to slightly more than one-quarter of the managers naming Coleman and one-fourth the managers saying Spalding.

Zebco, in fourth, was 10 percentage points behind Spalding on the survey but firmly in control of the No. 4 position.

Rounding out the top 10 brands on the 1989 survey (in order) were MacGregor, Huffy, Franklin, Garcia, Berkley and Academy Broadway.

Remington arms, Daiwa fishing and tackle, and Igloo coolers, the eighth, ninth and 10th brands last year, fell off the Top 10 list. This year, they are 17th, 11th and 14th, respectively.

Newcomers to Survey

New to the 1989 list are Berkley, a fishing and tackle manufacturer; Franklin, a producer of gloves and sports balls; and Academy Broadway, a diversified sporting goods manufacturer.

Academy Broadway produces such products as boating accessories, backpacking items, inflatables and tents.

For the labels returning to the Top Brands list this year, relatively few changes in rankings were recorded.

Huffy and MacGregor exchanged the No. 5 and No.6 spots, and Garcia remained in a tie for the seventh spot, this year with Franklin instead of Remington.

Huffy's slip on the chart, most dramatic at upscale discounters, is probably due to flat sales in the bicycle category.

MacGregor recouped some of the ground it lost in 1987 by receiving more mentions this year from both conventional and upscale discounters and among discounters in all four regions. MacGregor did not make the list of top five brands at the individual chains last year but came in fifth this year because of a very strong showing at K mart.

One-quarter of K mart managers surveyed named MacGregor as a top performing brand, giving it the No. 4 spot on its Top Brands list.

At K mart, Coleman products were ranked the top performer, based on manager responses, by only two percentage points. Wilson was second, followed by MacGregor, Spalding and Zebco.

Coleman, which lost some ground at conventional discounters but gained at upscalers, dipped a little at K mart, Wal-Mart and Target, but increased at Ames/Zayre.

At Ames/Zayre, Wilson edged out Coleman for the No. 1 spot, but only by two percentage points. However, fewer Ames/Zayre store managers mentioned Wilson as a top performing brand. Last year, nearly half the managers named Wilson as a top performer compared to one-third the managers this year.

Coleman and Spalding were tied for second place at Ames/Zayre with three in 10 store managers naming each brand as a top performer, up from two in 10 mentions for each one on the prior year's survey.

The most dramatic change in pecking order occurred at Wal-Mart. Managers at the Bentonville, Ark.-based chain said Wilson was their top performing brand followed by Spalding and Zebco, tied for second.

Last year, Wal-Mart managers said Zebco was their top performing brand in the sporting goods category and Coleman was second.

Wilson received its strongest showing at Target.

Two-thirds of Target's store managers said Wilson was their top performing sporting goods brand, up from four in 10 managers a year ago. Spalding was second with four in 10 responses, up from a third the managers last year. Coleman took third place among Target store managers with three in 10 managers naming the popular maker of insulated products.

Wilson, Coleman and Spalding faltered a little in the rankings among the discounters in each of the four regions.

Wilson held on to the No. 1 spot in the Northeast, although in a greatly diminshed capacity, and in the South, and North Central states, in an enhanced position.

Western-based discounters said Coleman was their best performing brand in the sporting goods category, and gave Wilson the second spot, followed by Spalding.

Coleman's performance in the Northeast, South and North Central states declined slightly from a year ago and was equal to 1988 in the West.

Spalding received fewer mentions as a top performer in the Northeast and South.

Zebco declined slightly in all four regions.

MacGregor's rate of mentions was even with last year in the Northeast and up slightly in the other three regions.

Huffy only gained ground in the West.

Store managers attributed the success of their best performing brands to vendor advertising, brand recognition and product performance.

Ingredient to Success

Advertising was most associated with Coleman as an ingredient to its success at retail. Nine of 10 store managers said advertising, especially vendor advertising, was the biggest reason Coleman performed so well at retail.

Product performance was second and brand recognition third for Coleman products, according to manager responses.

Brand recognition was the dominant reason for the success of Zebco and Wilson products, store managers reported. After that was advertising, followed by product performance.

Sporting Goods: Top Brands Vary by Type of Outlet

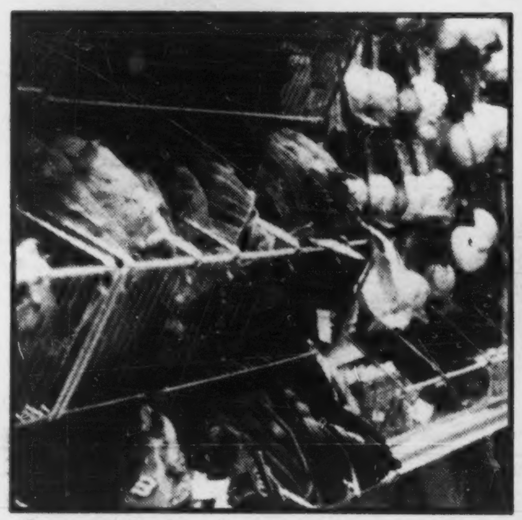
Brand	All Discounters		Conventional Discounters		Upscale Discounters	
	1989	1988	1989	1988	1989	1988
Wilson	32%	28%	30%	23%	44%	50%
Coleman	27	28	25	27	39	32
Spalding	26	22	24	20	32	33
Zebco	16	20	19	23	3	8
MacGregor	8	6	9	7	1	—
Huffy	5	11	5	8	7	25
Franklin	4	—	3	—	8	—
Garcia	4	5	3	5	4	5
Berkley	3	—	4	—	1	—
Academy Broadway	3	—	2	—	11	—

Source: Discount Store News/Leo J. Shapiro & Assoc.

Sporting Goods
Top Brands' Performance by Region

Brand	Northeast	South	North Central	West
Wilson	32%	28%	39%	28%
Coleman	29	18	30	43
Spalding	19	18	36	25
Zebco	9	17	21	15
MacGregor	8	7	9	7
Huffy	2	5	6	7
Franklin	11	3	2	—
Garcia	2	2	4	7
Berkley	—	4	5	—
Academy Broadway	15	3	—	—

Source: Discount Store News/Leo J. Shapiro & Assoc.



One-third of store managers surveyed mentioned Wilson as a top performer.

Sporting Goods
How Industry's Top 5 Fare at Chains

Brand	K mart	Wal-Mart	Ames/Zayre	Target
Wilson	28%	37%	32%	61%
Coleman	30	21	30	28
Spalding	23	24	30	42
Zebco	22	24	5	—
MacGregor	25	—	2	3

Source: Discount Store News/Leo J. Shapiro & Assoc.

SPORTING GOODS
29.99

The success of best performers, according to store managers, was attributed to vendor advertising, brand recognition and product performance.

(DSN photo)

Oils and Filters Top Auto Brands Rankings

Nationwide DSN Report

Quaker State again surged to the No. 1 spot on *DSN's* Top Brands Survey, bypassing Pennzoil, last year's top brand.

After four years of being No. 2, last year Pennzoil edged out Quaker State for the top spot on the 1988 survey by one percentage point, but lost that edge and slipped back to second place.

In fact, Quaker State surged past Pennzoil this year, overtaking the No. 2 brand by 11 percentage points.

Quaker State's surge was largely due to substantial advances at K mart and Target, to a lesser degree at Wal-Mart, and in all four regions.

But the advance was tempered by a dramatic decline at Ames/Zayre, a result, no doubt, from the readjustment of product lines resulting from Ames' acquisition of Zayre earlier this year.

Still, Quaker State advanced on the survey despite financial problems that have prompted it to surrender less profitable sales.

Four out of 10 discount store managers named the popular motor oil label as a top performing brand in the automotives department, a gain of 10 percentage points from last year.

Among upscale discounters, Quaker State more than doubled the number of mentions it got last year.

Pennzoil was mentioned as a top performing brand by roughly the same number of managers this year as in 1988.

Nearly three out of 10 store managers said Pennzoil was a top performer in automotives, two percentage points less than a year ago.

Top Performer

Store managers from all four discount chains mentioned Pennzoil as a top performer more often this year than in the prior year. Wal-Mart managers named Pennzoil more than twice as often this year as last year and one-fourth the Target managers mentioned the brand as a top performer, an increase of nearly 300 percent.

Pennzoil was the top performer at Target followed by Quaker State and Fram.

Continuing the trend of the past few years, motor oils and oil filters again dominated the Top 10 list, accounting for six of the top brands. However, in 1988 motor oils and oil filter labels accounted for eight of the top 10 brands. Taking their place are other automotive maintenance products.

Overall, eight of last year's top 10 performing automotives brands returned to the list in 1989. Also, with two additions and two subtractions, a slight reshuffling of ranking was recorded.

New to the Top 10 list this year is AC-Delco and Turtle Wax, which are tied for ninth.

AC-Delco's rise may be due to its attempts at increasing its presence in the market.

AC-Delco and Turtle Wax replaced Armor All and Champion, which tied for ninth on the 1988 survey.

This year, Armor All is tied for 14th with Black & Decker and General Electric. Champion fell one spot to 11th even though it developed a line of other products, including filters, and licensed its name to GNB for auto batteries.

The decline of Armor All is surprising. Armor All introduced its own line of auto waxes in an attempt to build on the strength of its protectant.

In addition, last year Armor All bought the Rain Dance and Rally wax lines from Borden.

The top 10 list is as follows for 1989: Quaker State and Pennzoil in the one-two positions; Valvoline in third; Fram, fourth; Havoline, fifth; STP, sixth; Prestone, seventh; Castrol/Castroil, eighth; AC-Delco, ninth; and Turtle Wax, 10th.

The current standings reflect numerous position changes from 1988. They are: Valvoline's move to No. 3 from No. 6; STP up one spot to sixth; Fram down one to fourth; Havoline down one to sixth; and Prestone down two to seventh.

Castrol was the only brand to stay in the same position as a year ago.

The success of any one brand in the automotives department is largely due to advertising, store managers report.

In fact, advertising was the No. 1 factor store managers attributed to the success of automotive brands, unlike all of the other merchandise categories surveyed in the 1989 Top Brands report.

Nearly eight out of 10 store managers said that advertising is the reason for the success of top performing automotives brands, followed by brand recognition and product performance.

Advertising was mentioned as the top consideration by nearly all the managers who said Pennzoil was a top performer and by nearly as many who said Havoline. Brand recognition was second and product performance third for both labels.

Of the five specific automotive labels mentioned by store managers as top performers in automotives only Quaker State and Valvoline produced different results.

Store managers said the prime attribute for the success of Quaker State and Valvoline is product performance. Price was the second consideration for Quaker State but the third reason for Valvoline, according to survey results.

When managers were asked what automotives label they would like to have in their stores the answer was No. 4 ranked STP.

STP showed impressive increases in the regional breakdown but the responses at each of the four chains were inconclusive.

The biggest advance on the Top 10 Survey in automotives this year was by Valvoline. This was probably due to the company's major push into mass market distribution.

In addition, Valvoline was the No. 1 automotives label at Wal-Mart. Quaker State was second, followed by Pennzoil and Fram tied for third.

No. 4 Fram, which was nudged out of third place by Valvoline, was mentioned more often this year by Wal-Mart managers as a top performing automotives brand than in 1988. But Fram recorded big declines at Ames/Zayre and Target.

Still, Fram was the No. 2 ranked automotives label at Ames/Zayre and the No. 3 brand at Target.

Havoline, Texaco's oil brand, may have slipped a notch to fifth place but remained the No. 1 label at Wal-Mart.

Nearly half the Wal-Mart managers surveyed said Havoline is their top performer, followed by Quaker State and Pennzoil and Fram tied for third.

Quaker State was the No. 1 brand at K mart, followed by Pennzoil Valvoline, Fram and Prestone.

Target managers mentioned Pennzoil more often than Quaker State for the No. 1 position. Fram was third and AC-Delco is fourth.

Automotives: Top Brands Vary by Type of Outlet

	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	1989	1988	1989	1988	1989	1988
Quaker State	39%	29%	39%	31%	41%	19%
Pennzoil	28	30	28	31	27	26
Valvoline	18	11	19	12	12	9
Fram	17	22	16	20	26	30
Havoline	14	17	16	20	6	5
STP	12	9	12	10	10	3
Prestone	9	14	8	13	12	24
Castrol/Castroil	8	8	6	7	16	15
AC-Delco	5	—	5	—	8	—
Turtle Wax	5	—	5	—	4	—

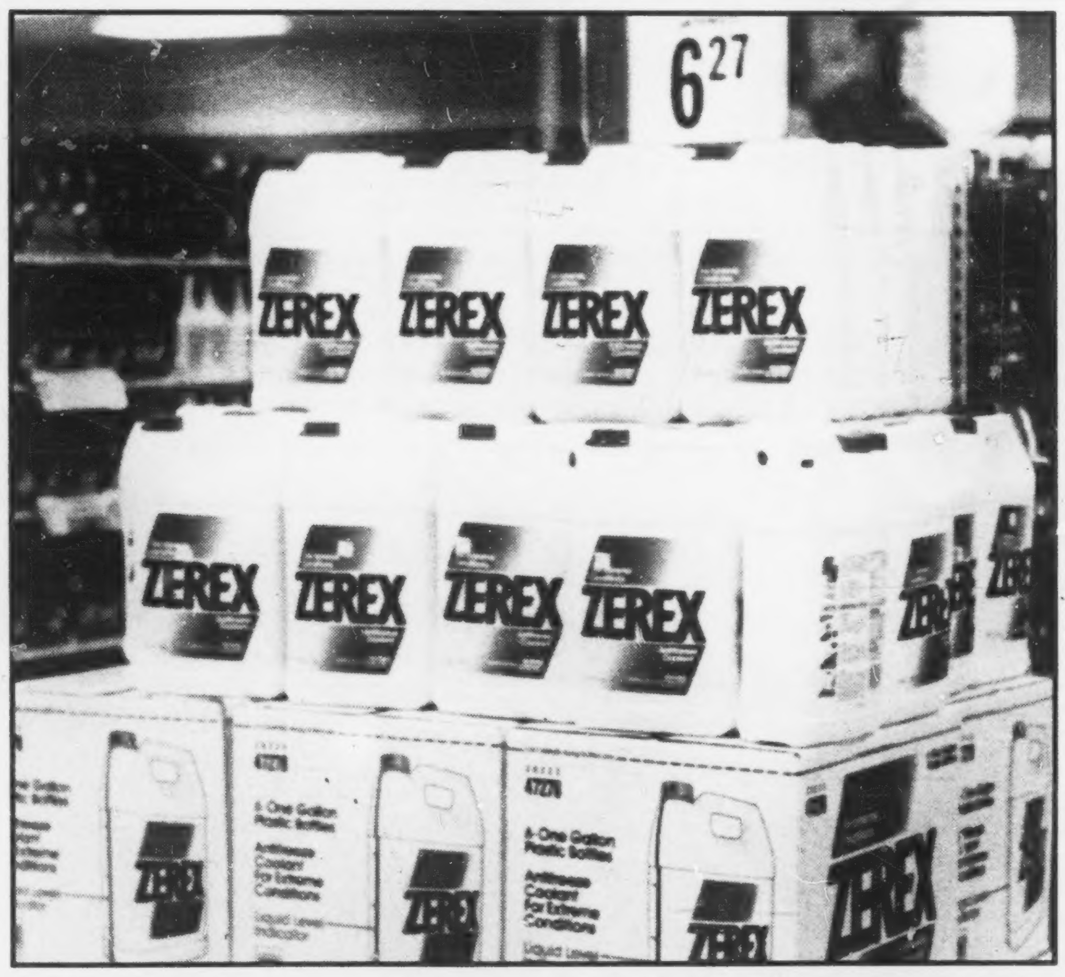
Source: Discount Store News/[illegible]Shapiro & Assoc.

Prestone was seventh overall on a brands list dominated by oils like Quaker State, Pennzoil, and Valvoline. (DSN photos)

Automotives
How Industry's Top 5 Fare at Chains

Brand	K mart	Wal-Mart	Ames/Zayre	Target
Quaker State	47%	26%	59%	44%
Pennzoil	42	21	25	53
Valvoline	22	11	9	22
Fram	15	21	32	31
Havoline	7	47	11	11

Source: Discount Store News/Leo J. Shapiro & Assoc.



Automotives
Top Brands' Performance by Region

Brand	Northeast	South	North Central	West
Quaker State	37%	34%	48%	38%
Pennzoil	17	16	44	37
Valvoline	9	16	22	20
Fram	22	12	17	23
Havoline	2	22	14	11
STP	15	17	9	4
Prestone	8	7	6	20
Castrol/Castroil	12	8	8	3
AC-Delco	4	4	10	—
Turtle Wax	7	8	2	—

Source: Discount Store News/Leo J. Shapiro & Assoc.

Stanley Nails Down Top Performing Position

Nationwide DSN Report

For the second consecutive year, Stanley was named by store managers as its top performing brand in the hardware category, according to results of *DSN's* 1989 Top Brands Survey.

Stanley again edged out Black & Decker for the top spot on the hardware list by just two percentage points, the same margin as last year.

Both hardware manufacturers were mentioned by more than half the store managers interviewed for the survey. In addition, each vendor increased their respective response rates by one percentage point. This small increase helps each manufacturer recover some of the ground lost over the past few years when store managers named each brand more often as a top performers than they do now.

Stanley's hold on the No. 1 spot was tied with Black & Decker among conventional discounters but 14 percentage points above B&D among upscale discounters.

The two manufacturers were split evenly at the nation's top four discount chains, with K mart and Wal-Mart giving the top honors to B&D and Ames/Zayre and Target doing likewise for Stanley.

Among the discounters on a regional basis, Stanley edged out Black & Decker three-to-one, reversing the results of last year.

Top Honors

B&D took top honors in the North Central states, by a slim two percentage points, whereas Stanley held the top spot by slim margins in the Northeast and South and by a substantial margin in the West.

The No. 3 finisher, General Electric, was a distant third with fewer than one in 10 store managers naming the brand as a top performer in the hardware category.

GE's major products in the hardware category are light bulbs, a major item mover for discounters.

In fact, GE's substantially increased its dominance as a top hardware performer, according to manager responses. GE-brand products were sixth on the Top brands list last year.

Of the Top 10 brands on the hardware list, this year seven returned. (Thirteen brands were listed last year since five tied for ninth place.)

Except for Stanley and B&D, which held firm on the top two spots, the rest of the brands jockeyed for position.

Not returning this year to the Top 10 list were Genie garage door openers, Olympic Paint, Red Devil stains, Dutch Boy paint, Vermont American hardware accessories and Master Lock.

Genie dropped to 12th place, Master Lock to 13th, Dutch Boy, 14th, and Vermont American, 15th. Olympic Paint and Red Devil were not mentioned at all as top performers.

In fact, just 15 labels were mentioned by store managers as top performers in the hardware category, fewer mentions than every other merchandise category except personal care appliances, which also had 15.

After Stanley and B&D, the Top 10 list consisted of GE in third; Skil, fourth; Lucite, fifth; Rubbermaid, sixth; and Royal, Bull Dog, Glidden and Great Neck tied for the last four positions.

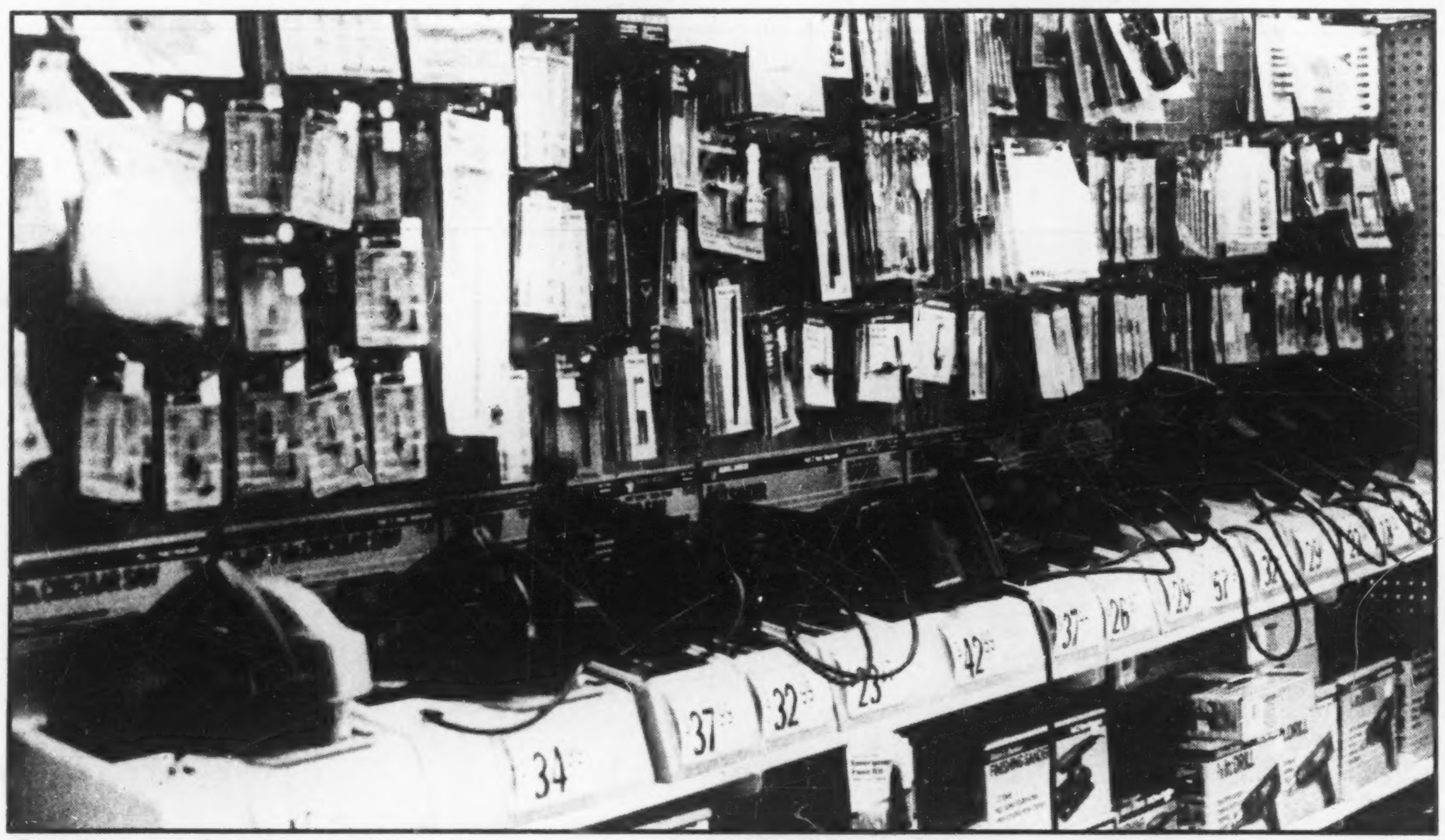
Skil, a power tool manufacturer that says it does not sell directly to discounters, moved up from ninth last year. Many discounters, however, report that they do not purchase Skil products from diverters and do purchase directly from Skil.

Rubbermaid, which dropped off the Top 10 list last year to the 16th spot, returned this year, even though the response rate was minimal. The plastics manufacturer offers a variety of products in the lawn and garden area and in trash disposal. Also Rubbermaid introduced workshop organizers that are sold in the hardware department.

Hardware: Top Brands Vary by Type of Outlet

Brand	All Discounters		Conventional Discounters		Upscale Discounters	
	1989	1988	1989	1988	1989	1988
Stanley	57%	56%	55%	55%	68%	61%
Black & Decker	55	54	55	54	54	53
General Electric	8	3	7	2	12	6
Skil	4	1	4	1	2	—
Lucite	3	9	3	10	1	7
Rubbermaid	2	—	1	—	5	—
Royal	1	2	2	2	—	—
Bull Dog	1	—	1	—	—	—
Glidden	1	6	1	4	2	13
Great Neck	1	—	0	—	3	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*



Stanley agained edged out Black & Decker for the top performer position in the hardware category. (DSN photos)

Royal Tools returned to the Top 10 list for the second year in a row, but in a diminished position.

New to the list this year were Bull Dog and Great Neck, both hardware accessories manufacturers.

Both Lucite and Glidden, prominent paint manufacturers, suffered declines on the current survey. Lucite fell from third to fifth place, and Glidden from fourth to ninth.

It is important to note that Wal-Mart dropped Lucite from its vendor list and added both Glidden and Dutch Boy's Kemtone brands in many stores.

However, the entire paint and stains category, once a large presence on the Top 10 list in the hardware category—with five entries last year—has apparently waned in dominance at discount stores, perhaps due to restricted merchandise mix resulting from expansion in other higher margin, faster-turning product categories. This year, just Lucite and Glidden represent the coatings category.

In the regions, the Top 10 hardware brands received its most favorable responses from retailers in the South and North Central states. Northeastern and Western retailers gave very few mentions of top performing brands beyond naming Stanley and Black & Decker.

Among the chains, Stanley and B&D were the clear top brands labels, with all the rest of the products receiving very few if any responses.

When asked what hardware brands they would like to have in their hardware departments, store managers again named Black & Decker and Stanley.

Stanley and Black & Decker are popular with store managers as top performers because of product performance, vendor advertising schedules and brand recognition, they say.

Price a factor

Price was mentioned as a factor by half the managers surveyed compared to eight of 10 respondents who said product performance, advertising and brand recognition, according to survey results.

In fact, nearly nine of 10 store managers said Stanley is a top performing brand because of the product's performance, compared to eight of 10 for B&D.

Advertising was the second strongest consideration for Stanley products, store managers said, and brand recognition was third.

However, brand recognition was the second consideration for B&D-brand products, and advertising was third, according to store manager responses.

Hardware: Top Brands' Performance by Region

Brand	Northeast	South	North Central	West
Stanley	70%	49%	61%	60%
Black & Decker	68	47	63	46
General Electric	4	7	13	5
Skil	—	3	8	3
Lucite	2	5	1	—
Rubbermaid	—	2	3	—
Royal	—	4	—	—
Bull Dog	—	2	1	—
Glidden	—	1	2	—
Great Neck	—	—	1	3

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Hardware: How Industry's Top 5 Fare at Chains

Brand	K mart	Wal-Mart	Ames/Zayre	Target
Stanley	77%	50%	77%	69%
Black & Decker	80	63	61	58
General Electric	7	11	7	3
Skil	—	—	—	6
Lucite	—	3	9	3

Source: Discount Store News/*Leo J. Shapiro and Assoc.*

No Kidding, Fisher-Price Again Tops Survey

Nationwide DSN Report

Fisher-Price grabbed a bigger slice of the toy market in the past year and once again was the most often mentioned toy brand by discount store managers, according to results from *DSN's* 1989 Top Brands Survey.

The Aurora, N.Y.-based toy and juvenile products manufacturer also extended its lead over second-place Mattel. More than twice the number of store managers named Fisher-Price as a top performing brand than mentioned Mattel.

Fisher-Price was named as a top performer by nearly seven of 10 store managers surveyed, up from five of 10 last year. Mattel was mentioned as a top performing brand by one-third the surveyed managers, up two percentage points from the 1988 survey.

Mattel's hold on the No. 2 spot is a bit tenuous, however.

The third place finisher, Playskool, with one-quarter of all the store manager responses, along with Milton Bradley (No. 5) are divisions of Hasbro (No. 6). If the results of these three are combined, Mattel would lose its second berth.

The Hasbro companies received a total of four of 10 store manager responses as best performers, enough to take over the No. 2 spot, but still more than 20 percentage points behind No. 1 Fisher-Price.

Taken separately, as they are named by the store managers, Mattel holds firmly to its No. 2 spot.

No toy label matched the growth in prominence of Fisher-Price, according to survey responses.

Much of Fisher-Price's gain this year was due to the 13 percentage point increase by conventional discounters, particularly K mart.

Nearly eight of 10 K mart managers named Fisher-Price as a top performer this year compared to fewer than four of 10 last year. Two-thirds of Wal-Mart managers supported the Fisher-Price gain by naming the toy label, up from half the responses last year. Ames/Zayre named Fisher-Price slightly less often this year, eight of 10 managers compared to nine of 10 mentions a year ago.

Target managers also gave Fisher-Price higher marks this year than last. Nine of 10 managers named Fisher-Price as a top performer compared to six of 10 last year.

Fisher-Price recorded substantial gains by retailers in the West, North Central states and, to a lesser degree, in the Northeast and South.

But Fisher-Price wasn't the only toy brand to receive a higher rate of mention this year than on the 1988 survey.

Mattel, the second-place finisher, recorded gains among conventional discounters, in the Northeast and Southern regions and at K mart and Wal-Mart.

The top toy brands list consisted of eight of last year's 10 products.

Coleco, the No. 6 finisher last year when it was in Chapter 11 bankruptcy, fell to 17th this year, tied with Gay, Child Guidance and Tyco. Earlier this year, Coleco's assets—and its Cabbage Patch dolls—were purchased by Hasbro.

Parker Brothers, ninth on the 1988 survey, fell to 11th place this year, probably a result of the slump in the board game category.

Milton Bradley, also a manufacturer of board games, slipped slightly on the top 10 toy list. The popular board game manufacturer was fifth on the 1989 survey, down one notch from the year-earlier report. The company's position among upscale discounters was enhanced on the current survey, however.

Little Tikes, No. 4 on the current survey, up two notches from last year, was the only toy label to advance on *DSN's* Top Brands toy list.

A division of Rubbermaid, Little Tikes, was named by nearly one-fifth of surveyed store managers as a top performing brand, up from one-tenth of them a year ago.

Little Tikes advanced among conventional and upscale discounters and in all four regions, particularly in the West. Little Tikes juvenile products also made the top five toy brand list of the nation's top four discounters for the first time.

Rounding out the top 10 list in the toy category are Lego and Kenner, tied for seventh place, Tonka in eighth and Huffy, 10th.

Lego and Tonka are new to the toy list this year. Perennial favorites, these brands have been gaining ground recently. Tonka may already be benefitting from the introduction of its Hyper Drivers, super fast miniature racing cars that sell for about $7.99.

Huffy, also 10th on last year's survey was able to hold on to its No. 10 spot. However, Huffy's status weakened slightly from last year in the number of manager responses calling it a best performing brand, probably because of the decline in bicycle sales.

The No. 1 performer at each of the nation's top four discount chains was Fisher-Price, according to store manager responses, but after that the order varies.

At K mart, Mattel was second to Fisher-Price, followed by Playskool, Milton Bradley and Little Tikes.

Wal-Mart managers said their best performing brands, in order after Fisher-Price,

(Continued on page 159)

Toys: How Industry's Top 5 Fare at Chains

Brand	K mart	Wal-Mart	Ames/Zayre	Target
Fisher-Price	77%	66%	84%	89%
Mattel	38	32	25	33
Playskool	28	13	27	42
Little Tikes	22	24	2	17
Milton Bradley	23	3	14	6

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Last year's sales.

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In addition to introducing new lines of high performance headphones and more advanced remotes, we'll be backing the entire Memtek line with the most ambitious

Product Performance is Most Often Cited Factor in Voting Fisher-Price

(Continued from page 158)

were Mattel, Little Tikes, and Playskool, with Hasbro and Murray bicycles tied for fifth.

Top toy brands were less clear at Ames/Zayre. There Fisher-Price took a clear first place but after that no real rankings are clear. It appears that Playskool and Mattel are top performers for Ames/Zayre toy departments.

Target store managers clearly give Fisher-Price the top spot in the toy department followed by Playskool and Mattel. After that the rankings become hazy. Little Tikes does fare well, according to responses by Target managers, and apparently got the fourth place spot.

The success of toy labels at discount stores is largely a function of three qualities: product performance, brand recognition and vendor advertising, in that order.

Store managers report that product performance is the biggest factor in the successful sale of Fisher-Price and Playskool-brand toys. Brand recognition and advertising are second and third considerations for Fisher-Price but are of equal importance for Playskool.

But brand recognition and vendor advertising tie for greater importance in the sale of Mattel products. Product performance figures less prominently for Mattel toys, according to the managers.

Toys: Top Brands' Performance by Region

Brand	Northeast	South	North Central	West
Fisher-Price	84%	56%	74%	53%
Mattel	34	36	24	37
Playskool	25	17	26	33
Little Tikes	16	13	23	12
Milton Bradley	12	8	16	9
Hasbro	8	9	6	8
Lego	5	4	4	9
Kenner	1	3	7	5
Tonka	3	3	3	3
Huffy	5	2	4	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Toys: Top Brands Vary by Type of Outlet

Brand	All Discounters		Conventional Discounters		Upscale Discounters	
	1989	**1988**	**1989**	**1988**	**1989**	**1988**
Fisher-Price	66%	54%	63%	50%	77%	76%
Mattel	32	30	33	29	24	33
Playskool	24	25	23	24	29	29
Little Tikes	16	11	16	11	19	14
Milton Bradley	11	15	10	15	18	14
Hasbro	8	12	8	13	5	10
Lego	5	—	5	—	5	—
Kenner	5	8	5	8	4	6
Tonka	3	—	3	—	1	—
Huffy	3	4	3	5	—	2

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

BEACH BARBIE
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Mattel's Barbie Doll product line is one reason the toy manufacturer has placed second in the toy survey. (DSN photo)

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Managers Have a Sweet Tooth for Hershey

Nationwide DSN Report

Hershey's strengthened its hold on the No.1 spot on *DSN's* Top Brands Survey in the food, candy and snacks category, rebounding from last year's weakened position to above 1987 levels.

The Hershey, Pa.-based candy manufacturer also widened its lead over its closest brand rival, Mars, which made dramatic advances from the 1988 survey.

Mars, which ranked seventh last year according to store manager responses, finished second this year and with a greatly improved response level.

One-third of all store managers surveyed for the Top Brands Study reported that Hershey's was their best performing brand in the food, snacks and candy category, followed by Mars with three in 10 responses. In the 1988 survey, just one in 10 store managers named Mars as a top performing brand.

Frito Lay, for years the first-place finisher in the category, was third on the current survey, rebounding three notches from last year's dramatic fall to sixth place. One-fourth of all store managers surveyed named Frito Lay as a top performing brand compared to a response rate of just under one-fifth the store managers in the 1988 survey.

Frito Lay, makers of Fritos corn chips and Lays potato chips, among other products, manufactures no products under the corporate name but continues to be named by store managers as a brand. Nabisco products, which also made the top 10 list, similarly does not produce food under its corporate name but under such labels as Oreo cookies and Wheat Thins crackers.

The remaining top 10 brands (in order) were: Brach's, Planters, Snickers, M&M's, Sather, Nabisco and Coke.

Coca-Cola returned to the top 10 list after a brief absence and constitutes the only beverage on the top 10 brands list. Pepsi came in 12th.

Nabisco, which moved up one notch this year to the ninth position, and with a slightly improved response rate, was again the only "food" brand mentioned in the top 10 of the food, snacks and candy category. Little Debbie snack cakes was 11th.

Once again, confectionary products dominated the top brands list. This year, however, just six brands were confectionary, two [Planters and Frito Lay] were snack foods, one was a food and another, a beverage.

Last year, seven of the top 10 brands were confectionary products, two were snacks—the same ones as this year—and there were no beverages.

These results could be an indication that discounters are becoming more successful at merchandising and selling consumables.

Generally, there was little shake-up in the brands on the top 10 list. Nine brands stayed

(Continued on page 161)

Food, Candy, Snacks
How Industry's Top 5 Fare at Chains

Brand	K mart	Wal-Mart	Ames/Zayre	Target
Hershey's	37%	24%	36%	25%
Mars	38	13	32	33
Frito-Lay	25	55	25	28
Brach's	15	11	14	6
Planters	18	5	9	22

Source: Discount Store News/Leo J. Shapiro & Assoc.

Hershey took the lead in this category, followed by Mars. (DSN photo)

Other lighting companies can't hold a candle to ICI's merchandising program.

Food, Candy, Snacks Top Brands Vary by Type of Outlet

Brand	All Discounters		Conventional Discounters		Upscale Discounters	
	1989	**1988**	**1989**	**1988**	**1989**	**1988**
Hershey's	33%	22%	33%	21%	30%	28%
Mars	30	13	30	13	32	14
Frito-Lay	25	18	25	20	28	8
Brach's	16	19	18	21	5	11
Planters	15	20	14	17	24	31
Snickers	15	21	17	20	8	28
M & M	14	20	12	18	26	30
Sather	8	13	9	15	—	—
Nabisco	7	6	8	6	1	3
Coke	5	—	3	—	11	—
Little Debbie	4	—	4	—	1	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Food, Candy, Snacks Top Brands' Performance by Region

Brand	Northeast	South	North Central	West
Hershey's	72%	27%	35%	47%
Mars	35	24	30	42
Frito-Lay	21	22	33	22
Brach's	13	15	20	11
Planters	29	13	15	5
Snickers	9	12	20	17
M & M	12	11	14	21
Sather	5	12	3	11
Nabisco	8	8	6	5
Coke	2	5	8	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Mars, Frito Lay, Follow in Store Performance

(Continued from page 160)

on the top 10 list, although they did alter their positions slightly. Milky Way candy bars were the only brand to fall off the list and Coke was the only new addition.

Milky Way fell to 19th on the brands survey. Twenty-seven brands were mentioned as top performing brands in this survey.

Hershey's was mentioned as the top performing brand in almost every category: outlet type, region of the country and specific discounter. There were five exceptions.

Mars bars unseated Hershey's as the top performer at upscale discounters, among Northeastern discounters and by K mart store managers.

Responses by Target store managers put Hershey's in third place as a top performer, behind Mars and Frito Lay.

Frito Lay was the top performing brand, by far, at Wal-Mart, unseating both Hershey's and Mars. More than half the Wal-Mart store managers interviewed for this survey said Frito Lay was a top performing brand. Second to Frito Lay was Little Debbie snack cakes, with more than a quarter of the responses. Hershey's was third followed by Nabisco and Ocean Spray and Mars tied for the fifth spot.

Also noteworthy on this year's Top Brands survey is that Snickers, last year's second place finisher, with two in 10 store manager responses, fell six percentage points on the 1989 survey to sixth place.

Last year, Snickers candy bars was second, behind Hershey's on that list. M&M's was third after Snickers.

Snickers' best showing among the discount chains was at K mart. One-fifth of K mart's store managers named Snickers as a top performing brand, giving it a fourth place spot. Mars was the No. 1 finisher at K mart, based on store manager responses, followed by Hershey's and Frito Lay.

Target store managers gave M&M's its best showing. M&M's came in second as a top performing brand, according to responses by Target store managers, behind Mars.

Target store managers also gave Hershey's its poorest showing. Just 25 percent of the store managers at this upscale discount chain named Hershey's as a top performing brand, giving it a fourth place finish.

At Ames/Zayre, M&M's placed fourth behind Hershey's, Mars and Frito Lay.

In contrast to many of the other categories, store managers reported that their top brand in the food, candy and snacks category achieved that position mainly due to its sales volume. The second most often mentioned attribute of a top brand in this category is price followed by impulse buying.

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Area Discounters Weather Hugo's Destruction

(Continued from page 7)

Relief efforts were operating in high gear at presstime, with the relief center in Charleston inundated with "hundreds and hundreds of truckloads" of donated relief supplies pouring in from around the country.

"We're swamped with a lot of everything," said one of two Wal-Mart truck drivers from the Wal-Mart distribution centers in Laurens, S.C., who were assigned to Charleston's major relief center in the city's Gaillard Auditorium.

To help coordinate the handling of relief goods, Wal-Mart assigned Martin Novak, head of its DC in Douglas, Ga., to the Gaillard center.

Various vendors were shipping in donated supplies, the driver said, including Tru-Valu, hardware; Shop-Vac, wet vacuums to clean up mud and water from flooded homes and businesses; and Kimberly-Clark, Kleenex, paper towels and disposable diapers.

Chain saws to clear downed trees and portable generators to supply power were especially in demand. At Charlotte-based Homelite, company executives trucked chain saws from a nearby plant to corporate headquarters on the Monday following the storm, said Robert Rhodes, advertising manager. Traffic jams formed as customers snapped up 2,500 chain saws that day at 10 percent below retail.

The relief efforts of discounters included cash donations, shipment of vendor-donated goods, discounts on merchandise, donations of merchandise from inventory, including diapers and bottled water, and donation drives mounted at individual stores.

Wal-Mart and an undisclosed number of its vendors were shipping $1 million worth of goods (at Wal-Mart retail prices), a spokeswoman said. Wal-Mart shipped the goods in its own trucks.

The spokeswoman refused to name the vendors cooperating in the joint effort.

K mart contributed $70,000 to the Red Cross, said Bob Stevenson, head of corporate public relations, and shipped three truckloads of disposable diapers and two loads of bottled water. The truck trailers were parked at K mart stores, and residents could get a free box of diapers and four gallons of water.

In addition, K mart shipped a truckload of plywood and 2x4 lumber for storm victims.

"We would have sent more, if we could locate it," Stevenson said, but hard-hit Puerto Rico siphoned off most of such lumber in a five-state area.

At its nine damaged units, Rose's sold chain saws at cost and offered a 10 percent discount on all merchandise to customers, said McElroy. In addition, Rose's donated two truckloads of goods taken from its inventory samples for the relief of residents of Sumter, S.C., one of the most devastated communities, he said.

Brendle's opened its 42 stores as community collection centers for food and clothing donations, said David Brendle, advertising manager. Brendle's has shipped 26 truckloads of donated goods to the Salvation Army in Charleston, he said.

In addition, employees collected money to aid the 52 associates in the damaged stores, said Jim Whitaker, director of human resources. Brendle's is also considering ways to help employees who lost their homes in the storm.

At Marshalls' undamaged stores, employees mounted cash and clothing drives to aid fellow workers at the two damaged stores, said communication director Jane Maxwell. "Marshalls will match whatever money the employees contribute," she said.

In addition, "we will assess whatever needs to be done for the community at large," Maxwell said. The priority, however, is to help Marshalls employees recover from their losses, Maxwell said.

Target shipped a truckload of diapers and is mounting employee donation drives at stores in the eastern half of the country, said public relations director George Hite.

The stores are boxing goods collected, and Target is shipping the supplies to relief centers in Charleston and Charlotte, Hite said.

New K mart Draws Crowds

(Continued from page 7)

ber, floor and ceiling tiles, and other such merchandise), the new K mart is carrying Glidden paint everyday at $10.94 a gallon and Dutch Boy at $8.94.

The store also carries unfinished kitchen cabinets at $35.97, on ad, for a two-door base section. Customers usually install them in laundry rooms and basements, rather than kitchens, Palko said. Normally only K marts with expanded home centers carry unfinished cabinets, "but we carry them because they sell," Palko said.

In automotives, K mart has very sharp prices for oils and anti-freeze. The everyday price for top brand oils is 99 cents a quart, he said. That compared with $1.17 at Laneco. For Prestone anti-freeze, the everyday price is $7.77, compared with $9.98 at Laneco.

Over the past year, K mart has cut prices on 8,000 items in order to maintain the same relative spread, including 5,000 since this spring when Sears instituted its everyday low price policy, a K mart manager said.

But that price shaving could be affecting profits, with second quarter earnings slipping 10.9 percent, while sales rising 4.8 percent. Same store sales gained 1.5 percent.

Moreover, the SG&A ratio for K mart crept up to 23.3 percent in the second quarter from 23.1 percent a year earlier, estimated Bernard Sosnick, retail analyst for the Deutsche Bank Group.

That reversed a four-year pattern of improved S&GA ratios for the second quarter, Sosnick said in a September report. The S&GA ratio fell from a 1985 high of 25.0 percent to 23.6 percent in 1986 and dipped to 23.3 percent in the second quarter of 1987 and further to 23.1 percent in the same period last year.

Second quarter sales rose to $7.01 billion in 1989 from $6.68 billion a year earlier. Net income declined, however, to $145 million from $162.8 million in the second quarter of 1988, K mart reported.

DISCOUNT STORE NEWS

(ISSN 0012-3587), is published biweekly—every other Monday—23 times a year except issues of April 24, Aug. 7, Sept. 25 and Oct. 16, which are published every third week; monthly in December—by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Subscriptions are available at no charge to qualified retailers and wholesalers. Paid subscriptions are available to manufacturers and their reps, schools, libraries, govt. agencies and all others—one year, $69; Canada: one year, $75; Foreign subscriptions-Airmail only: $175 (U.S.$ only). Single copy rate $4, except annual census issues $35 ea.

Second-class circulation postage paid at New York, N.Y., and additional mailing offices.

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Postmaster: please send address changes to Subscription Department, *Discount Store News*, 305 Madison Ave., Suite 535, New York, N.Y. 10164-0659. For change of address six weeks notice is requested. Give old and new address and zip code. If possible, enclose address portion from cover of previous issue.

Vol. 28, No. 19 October 16, 1989

Price Savers Returns to Fast Lane

(Continued from page 5)

ago and has experienced substantial improvements in accuracy and checkout time.

"In terms of innovation, other warehouse clubs are starting scratch bakeries," Grimm told *Discount Store News*. "Well, I can go out and get baked goods just as fresh as they can bake them. Is that what innovation is all about? I don't think so!"

Grimm, warming to merchandising leadership, stressed that all Price Savers' associates are encouraged to think like merchants. He went on to point out some examples of products that show Price Savers' merchandising flair. For instance, "we were the first to carry the new AT&T word processor," he said.

The new location has a much larger toy department than most other clubs, which typically treat toys as a seasonal product at Christmas time.

"We were the first [warehouse club] to do toys on a regular year-round basis," said executive vice president Doug Hansen. "The amount of inventory we carry varies by building, but we get a lot of interest from small gas station owners and restaurants who will buy toys or dolls in quantity from us for resale.

"It's been a surprisingly good category for us," he said.

Another unexpected bonus has been tire sales. Hansen said the new Price Savers augments its five-bay tire shop with an additional two tire mounters after strong sales during the store's quiet pre-grand opening week. Michelin and Goodyear are the brands carried and sold by the club.

The next Price Savers is slated to open in February 1990 in the City of Vista, Calif., north of San Diego. Grimm acknowledged that a future public offering was likely to fund further expansion. The timing of such an IPO is "predicated on our performance," which he said was well ahead of projections this year.

Wal-Mart Eyes Richmond Market

(Continued from page 5)

burg, Galax and Martinsville. Targeted communities include South Boston, Staunton, Lexington and Marion.

The Richmond stores—all 110,000 square feet—are in the suburbs of Short Pump, Mechanicsville, Chesterfield and Colonial Heights.

Three of the four Wal-Marts will be in shopping centers being built by the Tri-Equity Group, a Virginia-based real estate partnership, which is constructing at least six retailing and mixed-use developments in the Greater Richmond area.

The other site is owned by Faison & Associates, a North Carolina developer who is working with the discounter on other locations.

Spotting stores in mixed-use centers means that Wal-Mart can draw shoppers from a captive market, the people living and/or working in the development. In effect, the discounter becomes both a local convenience store and a shopping magnet for the wider surrounding area.

The three Tri-Equity centers that Wal-Mart will anchor include:

- The $20.2 million, 325,000-square-foot Short Pump Plaza, an all-retailing center located on Richmond's fast-growing West End;
- The mixed-use $11.5 million, 250,000-square-foot Hanover Square center in Mechanicsville, a rapidly growing community in Richmond's northeast suburbs. A hotel, a movie theatre and offices are planned for the area along with retail space;
- The mixed-use $10 million, 250,000-square-foot Iron Bridge Plaza being developed in the Chesterfield area on Richmond's South Side. The project will include an apartment complex and offices and office warehouse space.

Wal-Mart is pursuing another aspect of its urban strategy at Faison's development in Colonial Heights, also on Richmond's South Side. There the discounter will have a freestanding store on the perimeter of the site housing the 850,000-square-foot Southpark Mall, an enclosed center that has four department store anchors: Sears, JCPenney, Thalhimer and Leggett's. Wal-Mart isn't physically part of Southpark Mall but will easily be seen by customers shopping the center, enabling the discounter to feed off the mall's traffic.

Staples Sings 'California, Here I Come'

(Continued from page 8)

projected store count from about 45 in the current fiscal year ending April 1990 to between 137 to 139 in the fiscal year ending April 1993.

At the end of the current fiscal year, Staples expects to have 15 to 16 stores in metropolitan New York, eight in metropolitan Philadelphia, seven to eight in metropolitan Washington, seven in metropolitan Boston and five stores in Ohio—three in Cincinnati and two in Columbus. Three other stores—two in Connecticut and one in Rhode Island—fill in smaller communities in New England.

The long-range growth plans for the Northeast hub calls for 20 new stores each in fiscal years '91, '92 and '93, to hit a total of 105 by April 1993. The California program projects eight to 10 stores in the fiscal year ending April 1991 and 12 units in each of the following years to reach 32 to 34 stores.

As for its Mail Boxes Etc. test, Staples, which pioneered the discount office supply business three years ago, will decide by the end of this year on whether to add the leased 585-square-foot section to other units.

The MBE section, located at the front, provides private mailbox services, including a mail drop and mail fowarding, to individuals and businesses. Some of its other services are secretarial help, telephone answering, instant passport photos, film developing, stamps, Western Union, money orders and faxing.

High-speed and self-service copying and faxing are the core services offered by Staples, so that the MBE test could lead to a major expanding of the chain's services to customers. The MBE services are seen as giving current Staples customers another reason to shop the chain while attracting new business.

Adding the MBE section would be the second time that Staples has turned to a leased operator for a specialized service. It has leased Egghead Discount Software sections in about half of its stores, relying on that company to provide customers with expert service and an augment mix of business software.